

NATIONAL  
**REAL ESTATE**  
and **BUILDING**  
JOURNAL

**You'll Have to  
SELL Next Year!**

**DECEMBER • 1953**

**Bread and Butter Ideas**

**Make Rehabilitation Pay**

**New Land Planning Concepts**

# "Your Window Unit Is Without an Equal"\*

PHONE CARMEL 8-5911

**CHARLES E. WALTER**  
BUILDING CONTRACTOR  
R. R. 1, Carmel, Indiana

April 21, 1953

Rusco Prime Window Co.  
3810 E. Sixteenth St.  
Indianapolis, Indiana

Gentlemen:

This is to advise that we are now in the process of drawing Rusco Prime Windows into the plans for the next group of apartments on 14th and West Sts., known as Ransom St. Apartments, Inc.

After using Rusco Prime Windows with Metal Casings thru the above project and also, on our Rolling Acres development we can say, truthfully, that your window unit is without an equal. Ease of installation, lack of field labor, elimination of many "extras", such as painting and trimming have all added up to "in the wall" cost for our company.

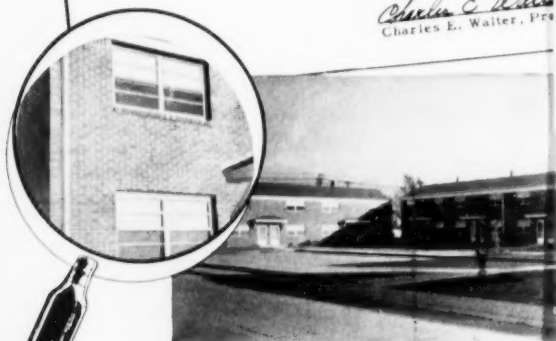
Inasmuch as we are required to maintain the apartment we, naturally, are delighted at the elimination of this expense to your windows.

Incidentally, our response to your Fulvue unit on our Rolling Acres development has been most gratifying.

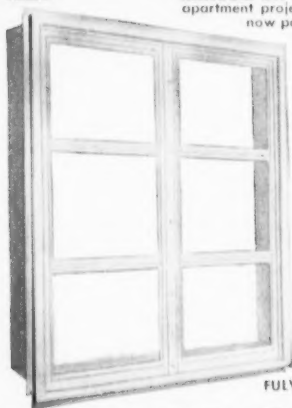
Very truly yours,  
A. & W. Construction Co.  
*Charles E. Walter*  
Charles E. Walter, Pres.

FULLY PRE-ASSEMBLED RUSCO  
PRIME WINDOWS PROVIDE  
THE ANSWER TO TOP  
QUALITY AT LOW COST

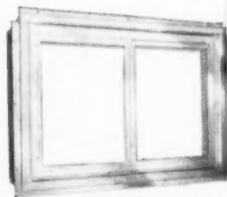
# WAY PAG



**RANSOM ST. APARTMENTS, INDIANAPOLIS, I**  
apartment project being built by the A & W Const  
now partially completed. Photo above shows  
units. At left is close up of  
Vertical Slide Prime Window  
Architect: Paul Cripe • Builder: A



FULVUE



HORIZONTAL SLIDE



VERTICAL  
SLIDE

panels and with insulating sash as an  
integral part of the unit.

# RUSCO

*Hot-Dipped  
Galvanized Steel*

# PRIME WINDOWS

FOR COMPLETE INFORMATION AND SPECIFICATIONS, SEE SWEET'S CATALOGS OR WRITE

**THE F. C. RUSSELL COMPANY**

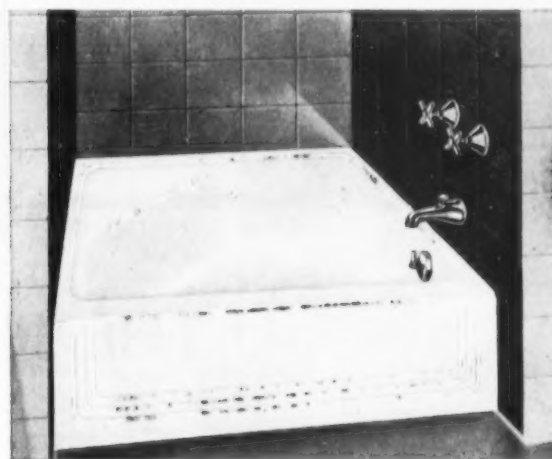
DEPT. 7-NR-123, CLEVELAND 1, OHIO  
IN CANADA: TORONTO 13, ONTARIO

# PRODUCT NEWS from AMERICAN-Standard

*A review of products in the news and important features worth remembering*



**AMERICAN-STANDARD DISPOSER.** A work-saving partner for famous American-Standard sinks, this quiet-operating disposer is also ideal for modernization as it can be easily fitted in any sink with standard drain opening. Has reversible, double-edged shredders of rustproof chrome steel, and unique safety top control.



**RESTAL RECEPTOR BATH.** Here is complete bathing convenience in shower stall space. The 12" high Restal, with integral corner seat, fits a finished compartment approximately 36" x 38". In modernization, a closet or similar space often can be turned into an extra bathroom with the Restal. It's made of rigid cast iron with a thick enamel coating in white and five colors.

particular needs.

For further information on American-Standard products see Sweet's Light Construction File.



## AMERICAN-Standard

American Radiator & Standard Sanitary Corporation, Dept. NR-123, Pittsburgh 30, Pa.

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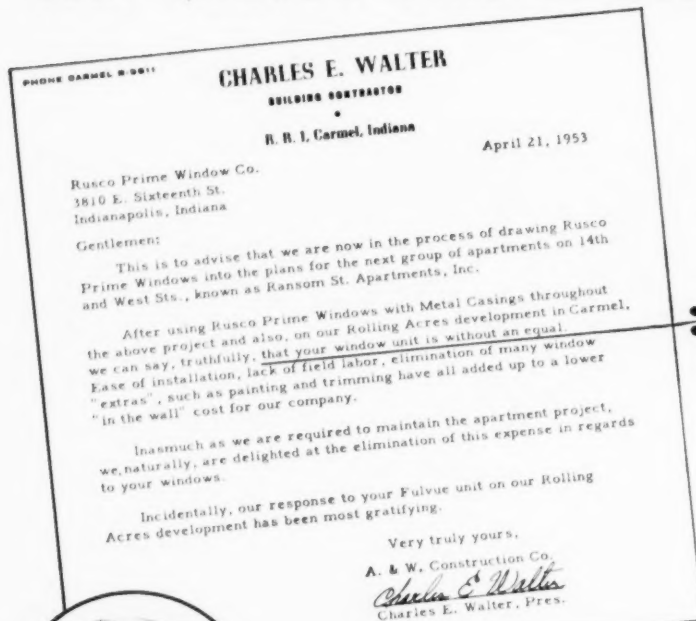
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# "Your Window Unit Is Without an Equal"\*



FULLY PRE-ASSEMBLED RUSCO  
PRIME WINDOWS PROVIDE  
THE ANSWER TO TOP  
QUALITY AT LOW COST

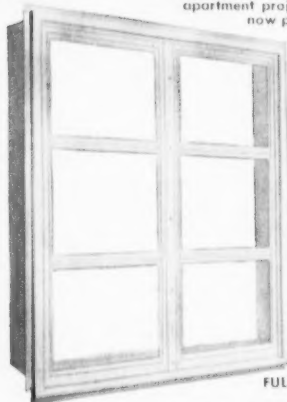
\* Rusco Prime Windows make possible very substantial savings in labor, installation time and maintenance. Because they are fully pre-assembled units—glazed, finish-painted, with surround and hardware attached—they reduce field work and installation time to a minimum.

Tubular construction of hot-dipped galvanized steel, bonderized and finished with baked-on outdoor enamel, plus the complete elimination of sash cords, weights and balances, assures smooth, easy operation and lower maintenance.

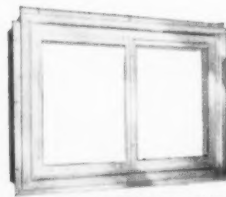
In addition to these important cost and quality features, Rusco Prime Windows offer advantages found in no other window. They are fully weather-stripped and may be specified with Rusco's all-year Fiberglas screen panels and with insulating sash as an integral part of the unit.



**RANSOM ST. APARTMENTS, INDIANAPOLIS, INDIANA** is a 1,000-apartment project being built by the A & W Construction Company, and now partially completed. Photo above shows one of the completed units. At left is close up of the Rusco Type P 22 Vertical Slide Prime Windows installed on unit. Architect: Paul Cripe • Builder: A & W Construction Co.



FULVUE



HORIZONTAL SLIDE



VERTICAL SLIDE

# RUSCO

Hot-Dipped  
Galvanized Steel

# PRIME WINDOWS

FOR COMPLETE INFORMATION AND SPECIFICATIONS, SEE SWEET'S CATALOGS OR WRITE

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DEPT. 7-NR-123, CLEVELAND 1, OHIO  
IN CANADA: TORONTO 13, ONTARIO



# PRODUCT NEWS from AMERICAN-Standard

*A review of products in the news and important features worth remembering*



**NEW-DESIGN PLUMBING FIXTURES.** Styled to match the trim, horizontal lines of American-Standard cast iron bathtubs, new-design vitreous china lavatories and toilets are more beautiful and more convenient than ever. All embody the same top quality that your customers have come to expect from American-Standard.



**AMERICAN-STANDARD DISPOSER.** A work-saving partner for famous American-Standard sinks, this quiet-operating disposer is also ideal for modernization as it can be easily fitted in any sink with standard drain opening. Has reversible, double-edged shredders of rustproof chrome steel, and unique safety top control.

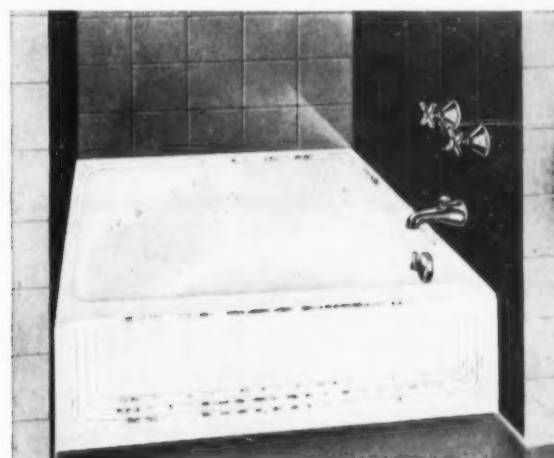


**CONVERTIBLE KITCHEN CABINETS.** American-Standard all-steel cabinets are the *only* kitchen cabinets with interchangeable drawers and shelves. You can install an economical package kitchen in the homes you build. By adding extra shelves and drawers to the cabinets at any time, buyers can create deluxe kitchens to fit their particular needs.

For further information on American-Standard products see Sweet's Light Construction File.



## AMERICAN-Standard



**RESTAL RECEPTOR BATH.** Here is complete bathing convenience in shower stall space. The 12" high Restal, with integral corner seat, fits a finished compartment approximately 36" x 38". In modernization, a closet or similar space often can be turned into an extra bathroom with the Restal. It's made of rigid cast iron with a thick enamel coating in white and five colors.

**American-Standard  
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- |                                                       |                                                     |
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# NATIONAL REAL ESTATE and BUILDING JOURNAL

VOL. 54 NO. 12



DECEMBER 1953

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Published monthly for real estate builders, property managers, and real estate brokers, by Stamets Publishing Company. Publication offices and general headquarters — 427 Sixth Avenue, Southeast, Cedar Rapids, Iowa

Subscription prices: \$4 a year, \$7 two years, \$10 three years in the United States. In Canada, \$5 a year; in all other countries, \$6.50 a year. Single copies 50 cents; back copies except Roster issue \$1. Member ABC.

## THE JOURNAL REPORTS



### Have We Reached Stability?

Reports from all sections indicate that the bloom is definitely off the boom and that most segments of our economy have settled down to more stable level. The mortgage market has eased considerably and the 88,000 October housing starts point to a probable 1.1 million total for 1953. This figure is considerably below the 92,000 starts in September and the 101,000 in October of last year. But the total for the first 10 months of this year is 952,100 — only 2% less than the same period last year.

Since the flow of dollars is the measure of our economic activity, it's interesting to note the dollar outlays for new construction as compared with the volume of units started. While housing starts declined in October, expenditures for all new construction hit \$3.2 billion, comparing favorably with the previous month's expenditures and setting a record for the month of October.

During the first 10 months of 1953, expenditures for all types of new construction totaled \$29.1 billion,

7% above the same 1952 period. Almost 40% of the total dollar gain over 1952 — based on comparisons of the first 10 months — was in private residential building.

### Federal Agency Predictions

The U. S. Departments of Commerce and of Labor sound optimistic notes about construction levels for next year. They foresee only a 2% decline in new construction expenditures in 1954 — from the record \$34.75 billion expected this year to approximately \$34.0 billion next year. A mild contraction in private construction is expected but public construction is expected to remain about the same. These predictions assume no great change in the international situation and continuing high employment and personal income, but a slight easing in the general economy and some rise in unemployment. They anticipate about a million new nonfarm housing starts (including 25,000

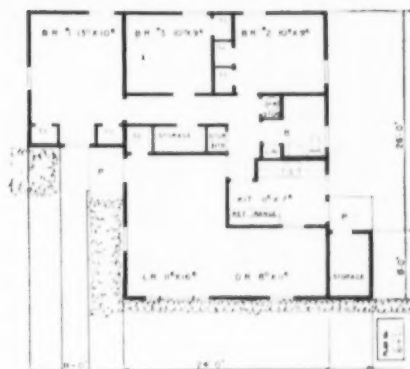


## ...for a SOUTHERN point of view

Richard B. Pollman, noted residential designer of Pollman Homes, has designed a line of houses specifically suited to Southern and Gulf Coast areas. The ground hugging lines and livable floor plans are outstanding examples of contemporary Southern styling. Awning type windows, deep overhanging eaves and louvered sliding closet doors are some of the special climate control features included for comfortable and gracious Southern living. Many models are designed to accommodate air conditioning.

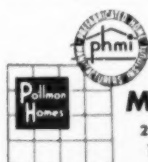
Constructed of the finest building materials available, these Southerner Line houses are factory assembled in Collins, Mississippi. They meet building codes throughout the South, and are acceptable for both G. I. and F. H. A. financing.

If you are a Southern builder or an investor who would like more information about the Southerner Line, write to Pollman Homes Southern sales headquarters in Jackson, Mississippi. If you are a builder in other parts of the United States, write care of Toledo, Ohio. We will be glad to have a local factory representative call at your convenience.



Popular L-type floor plan features 3 bedrooms, entrance hall, 1032 feet of floor space. Left or right hand floor plans available, as well as alternate orientation with living room to front or at side. Several distinctive elevations—make this Pollman Home ideal for the builder who wants to concentrate on one basic floor plan yet avoid that "peas in a pod" look.

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public), adequate mortgage funds, and little change in building costs.

The two agencies say private spending for new dwelling construction may be under this year's volume by about 7%, but that dollar outlays for home improvements may advance by almost a fifth. This reflects the great need for up-grading our housing inventory by expanding the sizes of inadequate one- and two-bedroom homes and rehabilitating our declining neighborhoods.

### Housing Committee Is Serious Business

On the surface, things appear quiet on Capitol Hill — but behind closed doors the President's advisory committee on housing is meeting almost continuously. Realtor members who took time off to attend the Los Angeles convention of NAREB brought "home work" with them. Pointing up how hard this committee is working, Al Summer, Teaneck, New Jersey, told JOURNAL editors at Los Angeles that he has never worked more intensely than he has on this committee.

HHFA's Al Cole says major decisions from the committee will be forthcoming in early December. President Eisenhower has included housing in the seven items he will discuss with Republican congressional leaders December 17-19 at their White House conference. Other scheduled items which apply directly to the real estate and home building industry are labor law changes, federal fiscal policy, public housing and slum clearance.

### FHA Appraises Itself

One of the few government agencies which is paying its own way, FHA will celebrate its twentieth birthday next spring. But Commissioner Guy T. O. Hollyday, speaking before the Miami Beach convention of the Mortgage Bankers Association, says he doesn't believe it has anywhere reached its full measure of usefulness. Not only is FHA in good financial shape, but it has repaid to the Treasury well over half its original \$85.5 million capital investment. Hollyday expects to have it all repaid — with interest — by next June 30. Remaining reserves will be around \$300 million. Objective is to keep FHA reserves sufficiently high so that during a depression FHA can go into the market if desirable and voluntarily retire many millions of dollars worth of debentures, thereby helping to stabilize the value of the debentures held by lending institutions.

Hollyday says FHA can be more realistic in the field of old houses. "I believe the stability of the mortgage and real estate market would be definitely en-

### ABOUT THE AUTHORS



**RAY ARNOLD** is a man with many interests, which may account for his varied career. He has been a high school principal in West Virginia, a booking agent for a lyceum bureau in Cleveland, a teacher of salesmanship and public speaking in Minneapolis, and a direct-mail advertising salesman in Ohio, Illinois, and Michigan. Since 1940 Mr. Arnold has been selling real estate in Toledo, and has, somehow, found time to publish a book, "How to Close In Selling Homes," the first chapter of which appears in this issue under the title, "Tips For Clinching Sales." His hobbies are music, golf and writing — but he spends much of his time doing research in the social studies, and his greatest delight is his private library.



couraged by treating mortgages on existing and new houses alike. . . . Families who want to live in older houses should not be penalized by a lower ratio loan when the value is there."

FHA is working hard to reduce the backlog of pending approvals on proposed technical advances. It is taking a critical look at its number systems and all the gadgets in its statutes in order to bring the insured mortgage plan back to the simple premises on which it was originally based — ratio of loan-to-value and analysis of borrower, property and transaction, Hollyday says.

Other things the FHA is eyeing critically are more realistic mortgage ceilings for elevator-type structures in metropolitan areas, the improved design and lowered costs of prefabricated homes, the nonwhite housing market, and neighborhood conservation. Summing up the outlook, Hollyday says, "The total picture looks good to me."

### Another Realtor Heads MBA

Again the Mortgage Bankers Association elected a Realtor as its national president. William A. Clarke, president of the W. A. Clarke Mortgage Company, Philadelphia, was chosen to succeed Realtor Brown L. Whatley, president of the Stockton, Whatley, Davin & Company in Jacksonville, Florida. Clarke has been prominent in the mortgage industry and the association for 25 years. He has served in numerous federal capacities and is a popular speaker on real estate financing.

## Product Progress

### Raising the Roof

"Rapidex," a new system of Haydite concrete sectional slabs for roofs and floors is announced by the Spickelmier Company of Indianapolis, Indiana. Individual blocks, the component parts of each unit slab section, are made of coarse and fine Haydite aggregate and Portland cement. The Haydite concrete in these units has a compression strength of 3,000 pounds per square inch after 28 days, and eight-inch Rapidex weighs 42 pounds per square foot, the manufacturer states. Rapidex is made in lengths up to 29 feet and is delivered ready for use.

### Patterned Plywood

Douglas Fir Plywood Association of Tacoma, Washington announces "Texture One-Eleven" an exterior type fir plywood made with waterproof glue. The panel is  $\frac{5}{8}$  inches thick, rabbeted at the edges, and comes in two widths — 16 inch and 32 inch. It is made in 8 foot and 10 foot standard lengths, but shorter lengths are also available. Parallel grooves  $\frac{1}{4}$  inch deep and  $\frac{2}{8}$  inch wide make a vertical line pattern on the panel.

### New Tempered Glass

A new "Herculite" tempered glass is announced by the Pittsburgh Plate Glass Company. The new "Herculite" glass is designed for use in all glass doors and store fronts. The manufacturer says it will not

Pays for Itself in  
Maintenance Savings . . .

# REYNOLDS ALUMINUM



Reynolds Aluminum Windows are a good example of the superior *investment* offered by rustproof aluminum. The cost of painting and repainting ordinary windows, totalled over the mortgage life of a building, can equal the original cost of aluminum windows. After that break-even point, your maintenance savings continue as *profit*. Initial cost is low, too . . . by far the lowest of any rustproof metal. Write for literature on standard Reynolds Aluminum Building Products listed below. For curtain walls, acoustical system, insulation, roofing and siding materials . . . write **Reynolds Metals Company**, Building Products Division, 2016 South Ninth St., Louisville 1, Kentucky.



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solarize and it offers a wide range of design possibilities in that decoration may be in permanent fired-on ceramic colors or by sandblasting.

### Prefab Previews

National Homes Corporation of Lafayette, Indiana announces new "Custom-Line" houses designed by Charles M. Goodman. They are available in two, three, and four bedroom sizes with bath-and-a-half or two full baths, and with or without basement. All models may be ordered with complete air conditioning. Kitchens have full wall cabinets and a lazy susan corner pantry unit. A utility area, adjacent to the kitchen, has space for washer and dryer. Bedrooms feature floor-to-ceiling closets. Picture windows with casement ventilators on either side, and floor-to-ceiling windows with ventilating louvers are aluminum with aluminum screens.

P & H Homes, Harnischfeger Corp. of Port Washington, Wisconsin announce their new line of prefabricated homes with the "Pioneer" model. The 1100 square foot, four bedroom home will be built in flat roof, hip roof, or gable models. The "Pioneer" features full bath, powder room, "built-in" drawer chests and closet walls, and extra hall linen and guest closets. A folding match-stick bamboo curtain on a ceiling track, makes the dining room part of the kitchen, living room, or open. The 28 by 44 foot Pioneer will be followed by two and three bedroom models with basement or "all on one floor" utility room models.

### Advantageous Addition

A new vacuum breaker has been added to Thrush Pressure Tanks manufactured by H. A. Thrush and Company of Peru, Indiana. Admitting air quickly, the vacuum breaker speeds draining time of hot water heaters. This added feature will not add to the cost of the Thrush Pressure Tank.

### Fancy Rigging

Sheppard Diesels of Hanover, Pennsylvania are offering a new rig for earth moving that they claim cuts costs three ways. The rig, offered as a unit, includes a front end loader and a rear mounted back-hoe on the Sheppard Industrial Tractor, both hydraulically operated. The back-hoe works down to 10 feet deep and has a capacity of 15 to 30 yards per hour in average soil conditions. The loader lifts up to 5,000 pounds at a scoop. All power is supplied by a diesel engine saving an estimated 75% on fuel costs.

### Lazy-Susan

Columbia All-Steel Kitchens, Burbank, California have introduced a new lazy-susan cabinet. The cabinet, which does not have a center pole, has two revolving shelves, each 20 inches in diameter. The upper shelf can be raised or lowered three inches for additional flexibility.

### Polite Peep-Hole

Danca Products Corporation of New York is the manufacturer of a patented peep-hole which can be installed easily in the door of a home. It has a wide angle lens to give a full view of visitors without opening the door. A small noiseless metal shutter moves silently and closes by gravity.

"I watch the woman's point of view," says builder Dan Ostrow, "and in my Carroll Knolls development at Silver Spring, Maryland, I made a test. I gave prospective home buyers their choice of either a kitchen equipped with a fuel-type range, or one equipped with an *Electric Range*. Out of the first 25 buyers, 22 chose electric—and within three weeks the three non-electric buyers had changed their minds." ▼



▲ "We've found that potential home buyers are interested in electrical equipment," says Mr. Oscar Dreisen of Dreisen & Freedman, Silver Spring, Maryland. "We know that because there were traffic jams when we opened our model house, and fifty houses were quickly sold. Naturally we include *Electric Ranges* in the kitchens, because these are electric homes."

## NEIGHBORS OR NOT . . .

# they're close together on Electric Ranges!



Kitchen equipment in the Dreisen & Freedman homes includes electric refrigerator, electric dishwasher-sink with food waste disposer, and ventilating fan. And the range? Like all the other equipment—of course, it's **ELECTRIC!**

● New home building is a competitive business, particularly in the same community. So when two builders feature the same equipment—an *Electric Range*—that means they recognize its importance in clinching the sale. Alert builders *everywhere* have recognized that a large percentage of home buyers prefer this type of range. Builders use its features to help them sell, because it is both economical and easy to use, and assures a clean, cool kitchen. No matter what type of homes you *build*, the modern *Electric Range* can help you *sell* them better, too!

More builders every day

are installing

## ELECTRIC RANGES



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# Open Forum For Your Legal Problems

GEORGE F. ANDERSON, Moderator

Dear Mr. Anderson:

A party engaged in the automotive sales industry called us and stated that he was interested in a location consisting of 24 lots for the purpose of building a car sales and service center. He authorized us to offer the owner \$70,000 and said he would write a check for that amount. He was not acquainted with owner of said lots.

We contacted the owner, and he said that he did not believe he was interested in selling same, but asked us what we thought they were worth. We said \$70,000 and he said he had appraised them himself at about \$60,000. We then went back to the auto dealer and he said "let's get together with him and see if he will take my offer." We went with him, introduced him to the owner and the owner said he would give the matter consideration on the basis of

the \$70,000 offer.

The next thing we knew we discovered that they had gotten together without us, and made a deal to form a corporation, the auto dealer agreeing to build the building and the owner of the lots to furnish the ground.

The point is that the auto dealer would never have known about this location, unless, because we had first told him about them, before he made the offer and also did not personally know the owner. We feel that we are entitled to 5% commission on the basis of one-half of \$60,000, the amount the owner valued the property at. We have no written agreements, this being only verbal. The auto dealer refuses to consider that we are entitled to anything.

M. J. Bidlake  
Billings, Montana

*A broker is entitled to his com-*

*mission if the seller makes a deal on substantially the list price, but not if the seller makes a deal entirely different from the list price. In such a case, while the broker is not entitled to a commission, he is entitled to a reasonable compensation for his services. It seems to me that in this case the seller made a deal entirely different from that which was contemplated. I once gave the following illustration of this rule. A seller listed a six-flat at \$60,000. The broker introduced a prospect who was a charming blonde. She got together directly with the seller, married him and got the building in a marriage settlement. This deal was entirely different from the one contemplated.*

Dear Mr. Anderson:

Your article "Call the Next Case" (JOURNAL, May 1953) was intriguing, suggestive and served as a reminder of the proper form of a sales agreement. I find that we do or plan to do all the things that you suggest for your long form, with one exception.

It is our conviction that such an agreement should contain no reference to the broker's commission. That is a matter of contract between the seller and the broker to which the buyer is not a party. In our opinion, the question of a commission should be covered in a separate document or in a letter fully setting forth the terms.

Freas B. Snyder  
Upper Darby, Pa.

*I am glad to see that at least one broker in the United States appreciates that a reference to the broker's commission has no place in the real estate sales contract. When I revised my form of contract I omitted it. There was such a howl raised by the brokers that the publisher insisted upon putting it back in again. Our correspondent assigns the correct reasons why such a provision should not be in the contract.*

Dear Mr. Anderson:

I read your article concerning a broker who had an exclusive on



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AMERICA'S BUSIEST BUILDING MATERIAL

a certain property and showed it to a client who did not buy. Later, when the exclusive had expired, this same client bought the property directly from the owner. According to the article, the broker cannot collect his commission in this case, even though he worked with this particular client and did all a broker can to sell the property. This is not clear to me.

Suppose a broker did not have an exclusive at all? In my opinion, if a broker shows a property to a client, works with him, negotiates with him, and then this prospect goes directly to the owner and makes a deal later, the broker is still entitled to his commission. Why should the broker who had the exclusive be in a worse position than if he had no exclusive at all?

Henry Kopp  
Chicago, Illinois

*This letter refers to an item in which I said that the law "probably" is that when an exclusive expires, the broker is through, and the owner is at liberty to sell to a prospect submitted by the broker without liability for commission. I think it's a reasonable rule of law, because if an owner gives you 60 days within which to sell the property, and you accept the listing, there is no reason why the owner's liability should continue after the 60 days no matter how hard you have worked to sell the property. This is particularly true since you may provide in the exclusive that if the owner sells the property to a prospect submitted by you within a specified time, you will still be entitled to your commission. (Except in a few states, which prohibit such a provision.) I am assuming that the owner is acting in good faith and has not stalled the deal along in order to make a direct sale.*

Dear Mr. Anderson:

"Relative to your item on Surveys in Real Estate Transactions; Buffalo has for years, in its standard contract and purchase offer, required the seller to furnish the buyer a survey 'showing the premises and the location of all buildings and improvements thereon'.

"We have found this to be a very satisfactory clause — and not a controversial issue."

Robert W. Hopkins  
Buffalo, New York

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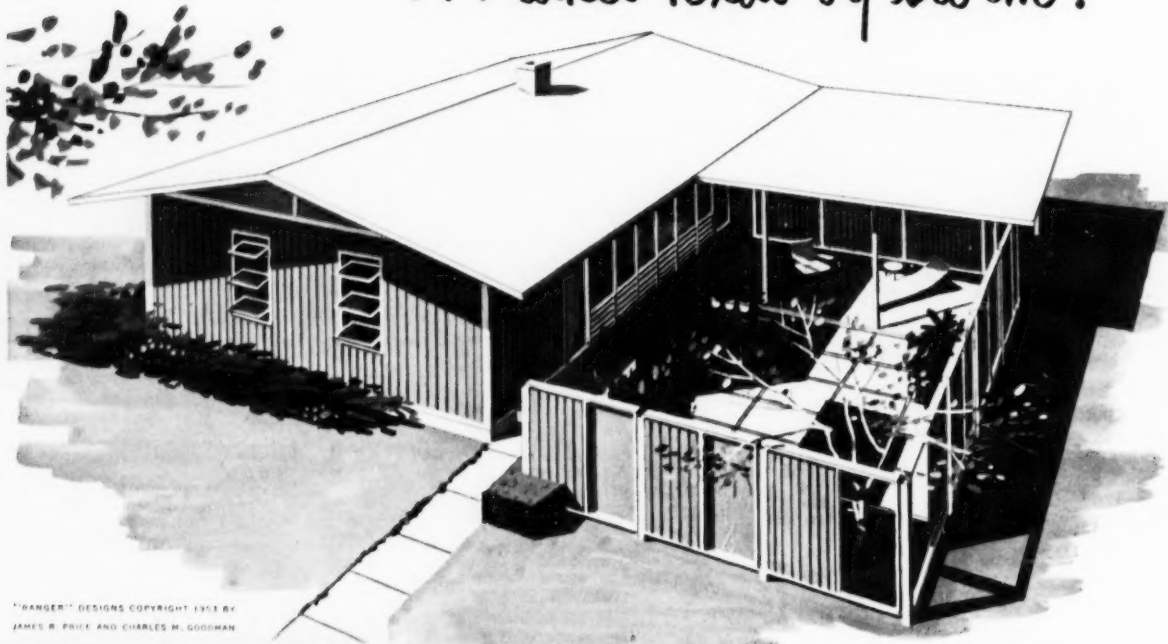
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(LEFT) Opening of "Ranger" at Texas State Fair—

l. to r.—James R. Price, President, National Homes Corporation; Hon. Ben Ramsey, Lieutenant Governor of Texas, and Mrs. Ramsey; Architect Charles M. Goodman.

(BELOW) Part of the continuous crowds that waited to inspect the "Ranger" every day from 10 a.m. to 10 p.m.

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# A Job For All of Us .....

IT'S A FINE THING TO TALK ABOUT, but it isn't practical," I said the Realtor across the luncheon table. He had been discussing slum rehabilitation and redevelopment. There weren't any slums in his town. If there were, the local officials wouldn't do anything about them. Owners of substandard property would block any rehabilitation move. And furthermore, how would rehabilitation benefit him?

Probably the greatest obstacle to the success of the Build America Better movement is lethargy like this — from Realtors, of all people. This fellow can't see beyond his nose. He thinks anything resembling slum rehabilitation is for the people in the three or four largest cities of the land to brood about. It is none of his concern.

Actually, all of us have a stake in this great movement. Let's see why.

First of all, it isn't confined to what most of us think of as slums. It is concerned with blight, and blight is spreading across the land. It's in small towns and large cities. More than 20% of our 40 million non-farm homes are substandard, either unsound structurally or lacking in basic sanitary facilities. Decay is an insidious thing, and unless a determined effort is made to combat it, we can expect it to increase.

Second, blight is concentrating in the core of many cities, causing a migration to the suburbs. This in turn is causing every property owner in those areas to bear a heavier-than-ever tax load with less and less promise of revenue. There is an opportunity for us who are in the business of land and property ownership to reclaim much of the land on which hopeless housing exists, and to put this land to newer, more valuable uses.

Fritz Burns, chairman of NAREB's Build America Better committee, suggests eight ways that the job can be done. They merit repeating here:

1) Strictly enforce city ordinances that require property owners to bring neglected structures up to adequate, reasonable, modern housing standards. . . 2) Demolish structures unfit for rehabilitation. . . 3) Systematically improve schools, parks, streets, and other municipal facilities. . . 4) Replan and rezone older neighborhoods for healthier, more livable neighborhood environment. . . 5) Acquire and remove structures and land which prevent carrying out a neighborhood conservation plan. . . 6) Attract investment in new construction, as well as in rehabilitation and modernization, through specific federal income tax incentives. . . 7) Improve credit facilities for property owners in conservation neighborhoods. . . 8) Improve credit facilities of municipalities through federal insurance of municipal neighborhood conservation bonds.

Building America Better is no idealistic scheme. It is a practical crusade to improve all of the facilities of our cities, to aid in the prosperous growth of our communities, and to help curb crime and disease.

For years the man in the street has charged that "greedy landlords" or "real estate men" have profited and perpetuated slums. Whether we like it or not, we are blamed for not doing something about the situation.

Now we are enlisted in a movement that *can* do something about it. But we can't do it with lethargy. We can't do it by shrugging our shoulders and saying "Let George do it." An aroused public opinion is the most effective force we can line up on our side.

It is for us to take the lead in developing this force — now, individually, collectively, enthusiastically. That calls for action at the local level. It demands deeds, not words.

Will we awake to the responsibility that is ours? If we don't, the price we pay may be greater than we realize.

B. F.

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4.



3.



2.



1.



5.

## Realtor Convention Stresses . . . . .

By BOB FAWCETT, *Editor*

Financing shows signs of loosening, Build America Better program seeks grass roots level, secondary mortgage market is prime objective, construction outlook is good, real estate sales 13% ahead of last year, but it will take good, hard selling in 1954

1. Secretaries Council starts off the week-long parade of luncheon meetings in the Los Angeles Room of the famous Hotel Statler with its "Get acquainted" Membership Luncheon on Sunday noon

2. Fritz Burns (right) sparks his Build America Better panel with 15 sixty-second reports on rehabilitation progress from as many cities. Sam G. Russell, at the panel rostrum, reports on Denver

3. Between sessions, delegates eagerly scan brokers' displays in the Biltmore Hotel for new ideas. Paul McCord, Fred Tucker, Jr. and Fred Tucker, Sr. chat with fellow Indianapolis Realtors

4. Brokers gather for a group photo with NIREB president Walter Dayton (fifth from left) after their popular market council panel. Donald T. Pomeroy (ninth) moderated the idea-packed meeting

5. George W. Merck, outstanding manufacturing chemist, Rah-Way, New Jersey, receives the SIR Industrial Award from Walter Schmidt, substituting for Eric Johnston, award chairman

6. Russell Doiron, Baton Rouge, new president of the Institute of Real Estate Management, jokes with Pittsburgh's Stanley Arnheim, 1953 IREM president, during one of the banquet meetings

7. NAREB's new president, Ron Chinnock of Chicago, points out to Ed Mendenhall, High Point, North Carolina, highlights of the post convention program in Hawaii. Homer Martin and W. D. Sleeper, convention delegates from Decatur, Illinois, listen eagerly



6.



7.

## ... Better Selling Demanded for '54

IT was a bread and butter convention. The 46th annual meeting of the National Association of Real Estate Boards November 8-13 was NAREB's largest. Held last month in Los Angeles, a city which embraces magical real estate development within its sprawling boundaries of 413 square miles, more than 5,200 Realtors gathered to seek ways and means to improve their business methods. And, more than ever before, they got answers . . . not from spotlighted speakers on the rostrum, but from fellow Realtors who jammed early-morning meetings to exchange ideas on everyday problems.

General sessions featured such speakers as Columnist George Sokolsky, air line president William Patterson, HHFA's Albert Cole, Actress Mary Pickford, but they took a back seat to the bread and butter meetings . . . discussions that included everything from telephone techniques to whether a bank should be included in a shopping center. The average convention delegate, confronted with 206 different sessions to choose from, still found time in five days to take tours of the city and its environs, to witness the fabulous home building boom, and to take in the glittering night life along Restaurant Row and the Sunset Strip.

But there was one principal thought in the minds of most delegates: "How can we do a better job in 1954?" This year had gotten off to a bad start, but was ending up 13% ahead of real estate sales in 1952. It was requiring more merchandising know-how and it would take even more next year. This keynote was sounded by a variety of speakers, but typical was the comment of Frank Lovejoy of Socony Vacuum Oil Company: "You thought as long as you were making money you were good merchandisers. But you've forgotten about the buyer and what he wants. You think we're just waiting to buy. That's not so. You've got to *merchandise*."

Almost gone from the convention scene were the vitriolic attacks on public housing, rent control, and

other government interference. Delegates and speakers alike reaffirmed their stand against federal controls and they were ready to take more positive action. That action resolved itself in more backing for the Build America Better program.

Foundation for the Build America Better plan had been laid over the past two years. Now, Fritz Burns, chairman of the committee, wanted to get the plan down to the grass roots. It was a way to stop talk of federal slum clearance and more public housing. Certainly, such a program would enhance the value of communities. But was such a program workable? A panel of experts told how it could be done and 15 Minute Men told how it had been done successfully in their cities. There were even on-the-spot examples. Burns had moved a 40-year-old rehabilitated home to a site near convention hotels. It had been a monstrosity. Now it was a modern, livable home. It gave the delegates ideas.

Charles Shattuck, NAREB president, outlined this three-point program: 1) Rehabilitate every older house which is substandard yet structurally sound and in the right location. 2) Build enough new housing so that a surplus is created and everyone can "move up a peg or two." 3) Systematically raze and remove from the bottom of the housing inventory 300,000 to 400,000 "junker" and slum dwellings a year.

A problem still prominent among delegates was financing. In one panel discussion, one-half of the speakers said they were losing sales because of it. There was indication that mortgage money was loosening. Walter Dayton, president of the Brokers Institute, reported these findings: 1) Growing improvement in the home financing situation. 2) Demands for heavy discounts on VA guaranteed loans are being reduced. 3) Savings and loan associations particularly are becoming more realistic.

The marketing panel reported mortgage rates firm, a 5% minimum and some regions reporting 6% as



## Realtors Form Counselors Group

Realtors took the first step in organizing the Society of Real Estate Counselors during the NAREB convention. Members will be those who made a business of advising on real estate problems. Realtor Roland Rodrock Randall, Philadelphia, was elected as the provisional group's first president.

NAREB directors approved the formation of the new society subject to future approval of bylaws to be developed. The group will eventually affiliate with NAREB. Major objectives — certification of competent real es-

tate counselors, advancement of selling advice and unbiased opinions as a professional service, maintenance of ethical practices, and promotion of technical aids for its members.

President Randall discontinued his extensive real estate brokerage and property management business in 1952 in favor of real estate counseling on a fee basis, when the demand of his clients became increasingly intensified in the field of appraising, consulting, financing, negotiating, planning, property analysis, and testimony.

the going rate. FHA and VA loans are being discounted in most areas and secondary mortgages are being discounted at an average of 25%. It was pointed out that the Realtor should not pay the discount out of his sales commission.

The panel brought out this financing trend: The good borrower with prime security will be able to obtain a better interest in 1954. Darrel Holt, Minneapolis, explained it this way: "During the period we have just gone through, the marginal borrower has tended to set the rate for everybody. This has been one of the evils of the discount system. Rather than to forecast an over-all reduction in interest rates on conventional loans, I would limit it to a matter of selection in favor of the strong borrower."

Will there be more money available next year? Most delegates were willing to forecast that there'd be enough to go around. Henry Waltemade, chairman of the Realtors Washington Committee, predicted large-scale improvements in FHA's loan insurance program. Still, NAREB officials felt the need to push for a Central National Mortgage Association, which would provide a secondary market. The plan: CNMA would have 18 regional associations authorized to purchase mortgages from its members who would subscribe to stock in such regionals. The Secretary of the Treasury would subscribe stock in each regional association up to \$10 million for each association. Federal stock would be retired as private individuals and institutions subscribe.

Some delegates expected a fight on the plan. Who would buy up the debentures? Was it good in theory, poor in practice? Should Realtors seek government help on this hand, denying government control on the other? The answers: Such secondary financing would help stabilize the real estate market over the long pull. It would give more uniform geographical distribution of mortgage money. Government money was needed initially to get the program started, but it would be returned to the Treasury as stocks were sold.

When NAREB's resolutions were announced at week's end, after long discussions in smoke-filled rooms, the CNMA led the list. NAREB would ask Congress to establish it. But, strangely enough, there was no mention of federal funds. Instead, it read that CNMA would be "privately owned but operated

under federal supervision." What would this mean? NAREB leaders were close-mouthed, but one official explained that the wording was broad to permit NAREB to get behind any plan which President Eisenhower's Housing Committee may produce in its report this month.

To soothe their financing nerves, Realtors were told to: 1) Qualify the buyer thoroughly before a loan is submitted. 2) Select for listings homes in projects that have been financed recently and still have financing on them. 3) Sell the buyer on taking back a first or second mortgage. 4) Analyze lending institutions. Find out what they want and analyze buyers accordingly. 5) Inform the buyer of the questions the lender will ask, help him find out such details as the cash value of his insurance, and then go with him to the lending agency.

In the residential construction picture, one group of Realtor-builders flatly agreed that the two-bedroom house is a "dead duck." The demand is for three- and four-bedroom houses with a minimum of 1½ baths selling between \$10,000 and \$15,000.

Some listening delegates shook their heads at this. "Nice to talk about, but hardly possible," one said. But there were examples. One West Coast builder is developing a project of four-bedroom, two-bath homes with slab floors and gas wall furnaces on 60x100-foot lots for \$8950 (and throw in a two-car carport). The question: Will the builder go broke? And, can it only be done in warm climates where less thought has to be given to heating and insulation? There were other examples, at prices hovering around \$13,000, from other sections of the country.

Little doubt was expressed that the trend is away from the two-bedroom to housing the three- and four-bedroom needs of the expanding families of World War II buyers. And it was stressed that the big, untapped market is the non-veteran.

On the construction outlook, delegates felt there would be a slight dip in residential, perhaps 6%, and that industrial and commercial would remain about the same. Walter Williams, under secretary of commerce, told Realtors: "During 1953 the dollar volume of construction will be the largest in history — almost reaching \$35 billion (a \$2 billion advance over 1952). Total volume in 1954 should reach \$34 billion.

Modernization was the theme in commercial prop-

erty sessions . . . that extensive changes must take place to hold tenants and retain downtown property values. Talk of decentralization brought forth a variety of opinions. Will it hurt the central core of our cities? "Not if we modernize and keep pace," was the general answer. One panel leader said, "Decentralization is not to the detriment of the downtown area. It's healthy. Some firms should move out. That will relieve congestion for firms that need to be downtown. And, in turn, such competition will force the downtown to improve its facilities."

Other participants argued, "If downtown merchants don't wake up, the downtown will be moved away," said one. And this brought the rebuttal that most outlying shopping centers don't give comparison shopping — several drug stores, for example, each vying for the trade. Another Realtor pointed out that shopping centers are taking care of population growth — not substituting for the facilities of the downtown area.

Commercial trends: 1) Buildings must be modernized to keep pace. 2) Outmoded buildings, impractical to modernize, should be razed for new uses. 3) Parking should be thought of not as a problem but as a business. 4) Larger stores are getting larger. Smaller stores will have to operate more efficiently or go out of business. 5) More people are eating out — and they shop at stores nearby. 6) Too many ill-planned centers, without sufficient trade area, are being built. 7) The percentage lease continues to be popular, but chain stores are fighting it. 8) Lease-back transactions of some insurance companies have put some owners in jeopardy.

As sure as delegates were that merchandising know-how was the key to future plans, they were

just as positive that public opinion must be strengthened to help that merchandising. In several meetings, speakers attacked flimsy license laws, demanded better adherence to NAREB's Code of Ethics, decried the use of part-time salesmen. One state realty examiner urged that all real estate licensees be bonded. Carl Miller, Indiana real estate commissioner, cautioned Realtors about unlicensed organizations which have set up real estate buying and selling procedures on a national basis. He told of one such unlicensed organization that took listing on an advance retainer fee of 2½%, had the property for 120 days and did not show it. Delegates were warned that such practices give the entire real estate industry a "black eye."

Behind the convention scene, two schools of thought wrangled over NAREB's major problems . . . CNMA, interest rates, Build America Better, and the election of its leaders for the coming year. One partisan official summed it up this way: "Essentially, one group believes NAREB is strictly a trade association; the other believes that we are an organization of lobbyists to fight for property rights."

On the last day, NAREB officials presented a united front. They had chosen Ronald J. Chinnock of Chicago to lead them during the coming years. And they announced their statement of policy which called for: decontrol of interest rates on government insured and guaranteed mortgages, neighborhood conservation, new and rehabilitated housing at low rents, better housing standards and sanitation laws, disposal of public housing units, home owners' tax relief, limiting federal taxes, eliminating all remaining rent controls, taxation of government property, disposal of federal real estate holdings, restoration of capital gains tax to 12½%.

## Chinnock Guides NAREB in '54

**Ronald J. Chinnock, Chicago, is the new president of the National Association of Real Estate Boards. To be installed in January in Washington, D.C., he will succeed Charles Shattuck of Los Angeles.**

**C. Armel Nutter, Camden, New Jersey, was elected treasurer to succeed H. Walter Graves of Philadelphia.**

Chinnock brings considerable experience to his new position. A partner in the company of Farr, Chinnock & Sampson, Chicago, he is a regional vice-president of NAREB and has served as a director. He has held various state and local offices. During World War II, Chinnock was decorated with the Legion of Merit and was the youngest officer in the U. S. Navy to become a captain without going through Annapolis.

The following regional vice-presidents also were elected:

**Harold S. Goodrich, Springfield, Ohio; Her-**

**bert A. Ganser, West Allis, Wisconsin; Daniel F. Sheehan, St. Louis; Richard F. Leach, Pueblo, Colorado; William T. Beazley, New Haven, Connecticut; Willard L. Johnson, San Francisco; Benedict F. McGrath, Larchmont, New York; Ronald J. Burns, Spokane; Earl V. Dolan, St. Paul, Minnesota; Eugene C. Fretz, Knoxville, Tennessee; A. L. Starlipper, Martinsburg, West Virginia; Charles F. Gilchrist, Fort Worth; and Robert Brinkley, Tallahassee.**

New presidents of NAREB's affiliated institutes are:

**Earl D. Keefer, Miami Beach — Appraisers; Dorothy Ingalls, Syracuse, New York — Women's Council; E. Sanford Gregory, Denver — Industrial Realtors; Charles J. Happ, Doylestown, Pennsylvania — Farm Brokers; Frank Rukavina, E. St. Louis, Illinois — States Council; Russell Dairon, Baton Rouge — Managers; Barbara Moss, Long Beach — Secretaries Council; W. Max Moore, Denver — Brokers.**



## Realtors Exchange . . .

# Bread and Butter Ideas

Round-table discussions reached new highs in popularity at this year's Realtor convention. In hotel corridors, night clubs, and convention halls the topic of conversation was shop talk — better ways of doing business in the competitive year ahead. JOURNAL editors have screened for your use the most practical, down-to-earth ideas

By ROGER C. LAKEY  
*Managing Editor*

### Sales Management Problems

#### ● How should you pay salesmen?

A Canadian Realtor has a graduated scale. He says men who produce more are worth more. He pays 45% of the gross commission to salesmen who are earning \$10,000 a year; 47½% to those earning between \$10,000 and \$12,000; 50% — between \$12,000 and \$14,000; 55% — between \$14,000 and \$16,000; and 60% to those earning \$16,000 and over.

A Miami Realtor has a "\$50,000-a-month club." For each salesman who sells \$50,000 gross in a month, the company treats him and his wife to dinner at a restaurant of their choice.

The same company pays salesmen 10% of the management fee for all management business as long as the company has the contract. The same is paid to outside brokers who bring the business in. The company protects either the salesman or the other broker for the sale of the property for five years.

One Realtor gives his salesmen the first and twelfth month's commissions on any new management contracts he brings in. This encourages the salesmen to go after management business, a function which salesmen often overlook.

● What can you do about high earners who leave to go into business for themselves?

"We don't worry about it. We encourage our salesmen as much as possible and tell them they are working for themselves as well as the company."

"We start men at 50%, then as

they earn more, we give them more percentage — 60%, then 65%."

● Is it pretty general to give the listing salesman 10% and the selling salesman 40%?

"We take 10% off the top for overhead and advertising. If the listing salesman sells the property, we split the commission 50/50 after the top 10% is taken off. If another salesman sells the listing, we split 33/33/33 after the 10% is taken off."

"I don't believe in listing commissions, but I give 10% as a token. I believe salesmen should have the attitude that putting merchandise on the shelf is part of their job, and they should not expect pay for it."

"We believe listings are so important that we pay the listing salesman 20% of the gross commission. Properties must be listed correctly and we're willing to pay the salesman who does it. The selling salesman gets 40% of the gross commission, the office keeps 36%, and 4% goes to the multiple listing bureau."

"We pay 20% for listing, but we don't accept any priced above market value."

"We have a specialist who does nothing but get listings. He has made \$7,800 in the last five months. He handles advertising, broker cooperation, and so forth."

"I threw all my open listing cards away in 1930. I have three salesmen and we take exclusive listings only. The company always takes 50% of the gross commission, and the selling salesman

takes the remaining 50%. If the salesman sells his own listing he keeps the entire 50%. If he sells another man's listing, he pays the listing salesman 25% of the 50% he receives. If he sells the other man's listing after 30 days, he pays the listing salesman 15% of the 50% he receives."

"We pay 10% for listing, protect the listing salesman for 15 days."

● Aren't you overlooking the importance of service to the client when you protect the listing salesman?

Most delegates agreed, but those who use the salesman-protection system defend it religiously. One delegate protects the listing salesman for 30 days, providing the salesman makes personal contacts on prospects during that time.

Russell Pointer, Saginaw, Michigan, emphasizes that Realtors should train their salesmen to build good *individual* public relations. They should be made to realize that everything they do affects the reputation of their company either favorable or unfavorably. If, for example, they get mad during a bridge game and throw down their hand, they've created some pretty bad advertising for themselves and the company.

● How do you handle floor day?

"We have first-up and second-up. If first-up isn't there, second-up gets the prospect. If neither is there, third-up or whoever is present works the prospect 100% and gives the sale to first-up. This keeps salesmen out of the office,

for each knows that any sale from the office will be credited to him. Third-up is happy to make the sale for first-up and realizes that first-up will return the favor at his first opportunity. There have been no complaints at all about making a sale for someone else — they are glad to do it."

"I myself talk to the prospect who phones in, find out what they want and decide which salesman can best handle that prospect. I know that a lot of business is lost when the wrong salesman gets the prospect."

● How long should you keep a salesman who isn't earning over \$3,000 per year?

"I've had one for 12 years who has surpassed \$3,000 per year only a few times, but he is the best goodwill builder I have."

"We have two retired men on our staff who spend most of their time bringing in listings and building goodwill for the company. They seldom surpass the \$3,000 figure."

● How do you handle sales meetings?

"I have sales meetings at 8:00 a.m. five days a week. Tuesday and Friday we take a tour of our new listings. Wednesday is an inspirational sales meeting. Monday and Thursday we have discussions of technical subjects such as escrow."

Summing up one of the popular morning round tables on creative selling, Pointer told delegates to pay particular attention to the children. "You are in this business to stay, and in a few short years these youngsters will be buying

homes for themselves. There are many ways to win them over, not the least of which is to recognize them. Speak to them, and call them by name. Bring them into the picture and make them an important part of it. All this costs you nothing, and really pays you well."

Although much time was spent on bonus plans, sales contests and the like, Pointer discounted the value of such "artificial stimulants" in increasing real estate sales for individual salesmen. "I do, however, believe that the sales department should be exposed to any new sources of business or new ideas of promoting business that the older members of the firm might have. It is the duty of the company to keep abreast of all current conditions affecting our business, and to alert the sales department to the same."

#### Listing Ideas

● How do you handle the objection of price?

"Get a qualified appraisal. When the prospect states this objection he may just be wanting to negotiate. And the reason for his wanting to negotiate is not the price but the reasons for the price. Get several salesmen's opinions of the price — compare estimates."

Jack Justice, Miami Beach: "I tell my owners there are three types of prices: 1) holding price — assures owner he will continue to own the property indefinitely; 2) market price — competitive to similar properties; 3) selling price — assures the owner of a reason-

ably quick sale."

● How do you get listings?

Collins: "I run a continuous ad in the newspaper to hold my rate and to solicit repeat business. If our old customers liked the way we did business they come back."

Paine: "I advertise — Large Home to Trade for Smaller. I wait a couple of weeks then switch it around — Small Home to Trade for Larger."

Justice: "I use a listing kit. It contains personal letters to my company from clients who were so pleased with our service that they wrote us about it. It also includes letters from brokers in other cities whom we have served. All these letters are clipped to the left hand side of the one-fold kit. On the right hand side, I have attached samples of the information sheets which we mail out to 850 brokers in our area as soon as a property is listed exclusively. We also hand out these sheets when we show the home."

Clinton Snyder, Hoboken, New Jersey: "You've got to build confidence. Do enough for clients that when they think of real estate they think of you."

● What about commissions or exclusives?

Justice: "I won't take an exclusive for less than six months or less than 7½% commission. Co-operating broker gets 5%. This assures the owner that the cooperating broker will give full attention to the sale of his property."

● How do you go about getting salable listings?

"Don't solicit listings. Accept only those that are priced right."

## Why should I give you an exclusive?

**Realtor Jack Justice, Miami Beach:** "Mr. Owner, when you built this house you didn't call up the building materials supplier and have him send out an assortment of materials from which you could build the house. You had this house designed. And anything planned is done better. Now, we aren't building architects, we're merchandising architects. If you let us plan the sale of your house, I think we can do a better job for you."

Justice also uses this answer: "Mr. Owner, suppose for a moment that I have a dress shop and you're in the market for a dress.

On one side of the shop I have a rack of dresses which I received on consignment. On the other side of the shop I have a rack of dresses which I personally selected and paid hard-earned money for. If you come into the shop and want to buy from the consignment rack, fine. But if you're undecided, I'll naturally try to sell you a dress from the other rack. If you want your house listed on the consignment rack, fine. But let us list it exclusively and naturally we'll put more effort into selling it."

Word will get around about your high sales percentage and more listings will result."

● What percentage of the gross commission do you pay your salesmen for listings?

Four of a 12-member panel pay 10%; two pay 15%, one of which pays for exclusives only; one pays 20%; one pays 25%; and another pays 25% for exclusives only.

## Advertising Ideas

● Is advertising producing as much results as it did?

Majority of delegates say no. Some delegates say few newspapers permit the use of signature cuts in classifieds. Most delegates agree that the classified should give the asking price — gets better results. One-third say Sunday is the most effective day to advertise. Approximately 25% keep track of where their prospects come from. One delegate says, don't repeat ads that aren't pulling. Another delegate says the ads which give address pull better if you have an exclusive on the property. One danger of giving the address in the classified — prospect may ask the owner to hold off until the exclusive runs out.

Stanley Mathis, Roswell, New Mexico, says, "Too many classifieds use abbreviations and don't give accurate descriptions. Spend a little more money and do the job right. It will pay off."

Other advertising tips: Leave out a few features so when you show the house there are more features than the prospect thought. When you list the property, write the ad in front of the seller — it impresses him and assures you that you have got the salient points well in mind.

One office requires men to bring an ad written by the owner. They run it once, and if it gets no results, the owner can't complain about the office's ads.

Tips for answering the phone:

Prospect is hottest just after he reads the ad and gets on the phone. When he calls, ask when he can see the house. Try to get him in the office — you can't sell a house over the phone. The phone should be used for getting appointments. Don't fire the prospect a barrage of questions over the phone. Build and gain his confidence.

If a prospect calls and wants the address of the property, impress him that you're at his serv-

ice and will be glad to take them to the house and get his reaction so you can give him a list of salable properties.

Phone calls are 28% more effective by answering. "Blank Realty Company. May we help you?"

● How much do you spend per man per month for advertising?

A show of hands revealed that most delegates spend \$100 per month per man or less. Only a few hands showed in the \$100 to \$200 and \$200 to \$300 brackets.

If the Dolan Company, St. Louis, sells a property listed by the company, the owner is required to pay for advertising up to 1/2% of the listing price. Over that, Dolan pays. The company charges the usual 5% commission. About 30% of the St. Louis Realtors are doing the same.

● How do you handle several people at an open house?

1) Have them be seated until you get to them. 2) Let them wander through the house. Find out what each prospect wants — neighborhood, game room, three baths, large yard?

● Question to 12-man brokerage panel: What percentage of the gross commission is spent for newspaper advertising?

One panel member says 2 1/2% plus 10% for direct mail. One member spends 5%; two spend 8%; four 10%; one 12 to 15%; two 15%; and one spends 20%. The average is 11%.

Fred Tucker, Indianapolis, says you shouldn't spend over 10 or 15% of the gross commission for newspaper advertising.

● What percentage of your sales is due to newspaper advertising?

One says 10%; one 12%; two 15%; one 20%; two 20 to 25%; three 25%; one 40%; and one 60%. The average is 24.3%.

● What are your greatest sources of business?

Personal contact and referrals, 11 mentions; newspaper advertising, three mentions; broker cooperation, four mentions; referrals from other departments within the company, one mention; signs and door-to-door canvassing, one mention each.

● How can you get better results from sign advertising?

Clinton Snyder, Hoboken, New Jersey: "We make a ceremony out of erecting our signs. Let the neighbors see that you have taken an exclusive and let them see how fast it sells."

## Modernization and Maintenance Ideas

● Kenneth Keyes, Miami: "One of management's biggest problems is improving efficiency to offset increased payroll costs. We helped accomplish this recently by hiring a time study man from industry to go over all our systems. This cut payroll costs 10 to 15%."

● How do you handle a maintenance case involving a hole in the plaster, bad lock, toilet which won't work, and a stuck window? It takes four different tradesmen to handle one case.

One delegate uses a traveling work crew which always includes a jack of all trades as a superintendent.

● Should workmen enter premises without the tenant's permission?

F. J. Zuzak, Shreveport, says no. He has a slip which workman must have signed by the tenant showing that the work is completed. If tenant isn't home, the workman can't enter.

Drucker & Falk, Newport News, has a lease which gives workmen right of entry. Realtor Falk says, "They wouldn't ever get anything done if not."

Dotson Realty, Savannah, Georgia, uses a plaster man who goes around in his own truck when enough plaster patching jobs accumulate.

Dotson manages 2,100 units, mostly apartment houses and single family dwellings. The firm has a crew for each type of maintenance, including a roving three-man carpentry crew. The carpenters use their own autos, and when they come across something too heavy, they draw a trailer from the company warehouse. They are paid a weekly allowance for running their own autos.

● Should you put your company's name on the maintenance trucks?

Dotson: "No. If you send a man to Mrs. Jones, Mrs. Smith will see your truck and either collar him to do work for her or complain to the office about not handling her maintenance job first."

Falk: "Yes, we believe it is a good form of advertising."

● How should you pay your maintenance men?

The consensus is to pay enough to get good men for key positions. Falk pays his jack-of-all-trades superintendent \$600 per month. Realtor Gregg, Glendale, California, uses two retired fire captains who are over 50 years of age. Each



works every other day, so one man is on the job all the time. He pays each man \$250 a month, based on a 40-hour week.

Gregg also pays a flat fee of \$50 to \$75 per month to his men for running their own autos. "Since these men usually repair their cars themselves," Gregg says, "most of this is pure velvet to them. There are no social security or tax deductions. Has the effect of raising their pay and they realize it's a good deal."

K. C. Michael, San Diego: "We use a profit-sharing plan for our maintenance men. If a man does a \$2.50 job for \$2.00, 50¢ is put into a profit account. He gets half the savings. Our city allows the same man to do both electrical and plumbing work. We believe it is better to pay \$400 a month and get a good man and get the job done right than to pay \$250 a month and have the job cost you \$600 a month in the long run."

Ralph G. Sprout, Calbing Corporation, Los Angeles, sends a man around to his units to test quality and efficiency of his management services. He pays the man some nominal fee, such as \$5 a day, plus mileage.

Sprout pays 90¢ per apartment per year to a pest control com-

pany. The company makes monthly calls plus emergency calls on a 30-minute notice. It gives a professional touch to Sprout's management services and builds goodwill in addition to handling the pest problem efficiently.

● How about building tenant goodwill?

Michael has a record of the birthday and age of every child in his rental units. He buys birthday cards appropriate to the age in quantity lots from Hallmark. When a renter is hospitalized, he sends him a subscription to the local paper along with a personal note of goodwill. The note also says, "We know that your hospitalization may work a temporary financial hardship on you, and if it delays your rent payment we will understand. Let us know and we will work something out." This nips financial difficulties in the bud before they bloom.

Michael says the terms "tenant" and "landlord" should be thrown out of the manager's books. His firm never uses them.

Another Michael tip: "We always take the time to see salesmen. A suggestion from an office machine salesman once saved one of our office girls two days in making a certain calculation. So we gave

her the two days off with pay."

● If you had \$50,000 to spend for modernizing an apartment house, what should be considered?

1) Exterior appearance. Prospective renters see the outside first. Passersby see only the outside. Renters want to be proud of the place in which they live, and a modern exterior appearance has much to do with this.

2) Efficient room layouts. Most floor plans in existing buildings do not appeal to the present rental market. Renters want modern layouts.

3) Utilities. Today's market calls for complete and adequate utilities.

J. W. Markheim of Camden and Philadelphia, stresses the merchandising value of modernization. The property manager has to merchandise these days to keep his units rented. He should include items in his modernization plans which have the greatest merchandising value.

Markheim uses student architects on modernization jobs. He makes up three modernization schedules for each project, each with its own budget. The architect draws up ideas within each schedule and budget. One is then selected by the company.

## What's It Worth To You?

"Most owner-appraisals are nothing more than uniformed guesses," says the sales-manager of a firm which handles hundreds of used-home sales yearly. Here's the case for unbiased, experienced real estate appraisals

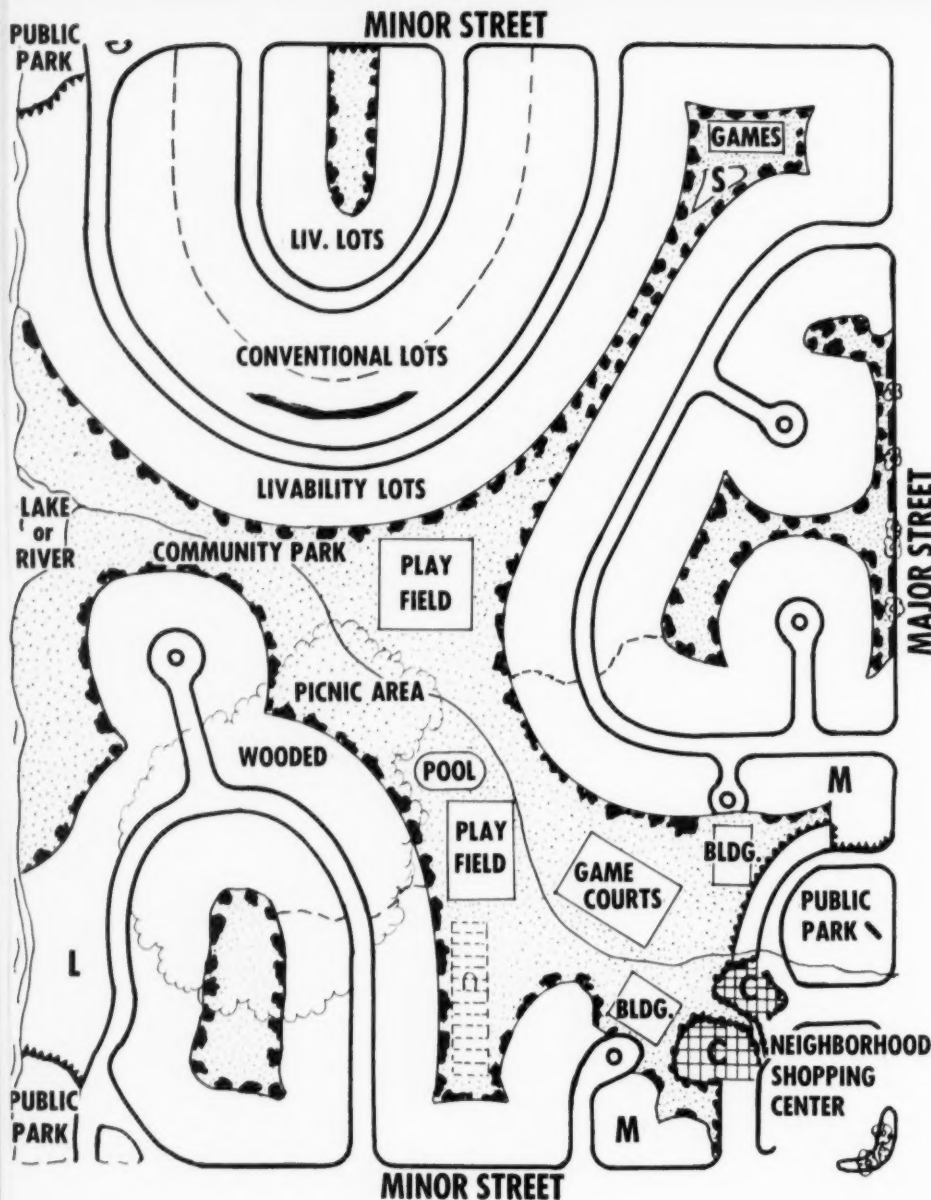
on it which is different than it would appear to a prospective buyer with a variety of choices, or to an unbiased appraiser. Most owner-appraisals are nothing more than uninformed guesses which, according to a recent survey in the \$6,000 to \$12,000 house bracket, are high in 49 out of every 100 cases.

"The average home owner will seldom back off farther than the curb for his own estimate," declared Washburn. "The true appraiser considers first the town, then the neighborhood, and eventually works down to the street, block, house and lot, environmental features, comparable offerings and recent sales in the neighborhood."

"For example, the presence of schools and shopping centers nearby is a distinct asset, but a school

or market practically next door may be a handicap due to a continual flow of traffic and parking cars near the market. The question of a corner versus an inside lot, of a house on one side of the street and not the other, the sort of neighbors nearby and the trend the neighborhood is taking, are but some of the many factors the experienced appraiser takes into consideration.

"The fixing of a proper sales price on a used home is a problem even for an expert," Washburn added, "but the informed, experienced judgment a home owner gets from a real estate appraiser familiar with his locale is far superior to any he can produce himself. And in the matter of selling a home, the owner would be wise to secure the best opinion on market price he can get."



## A New Concept—

Are our conventional subdivision layout methods obsolete? Study this remarkable plan and JOURNAL editors believe you may say yes. The Livability Plan employs new concepts. It achieves more lots with wider fronts at less cost. It utilizes all buildable area with a minimum of grading. It preserves natural beauty. Its social and political implications are far reaching. After 15 years of developing the plan, its creator discloses it for the first time

By M. HOVER CURTIS

Community Planner

404 W. Vanderbilt

Oak Ridge, Tennessee

- Streets follow contours; do not cross neighborhood; admit local traffic only.
- - - Crosswalks. Not shown through park; school, shopping, recreation areas accessible without crossing streets.
- Community park and boundary; screen or low planting as each prefers. Park affords privacy of beach for community use; general public has access to beach at end of minor streets.
- Public park boundary: low, wide, thorny planting to protect privacy of neighborhood.
- Stream.
- Areas for lots. Conventional lots opposite Livability lots for perfect test of public response. Conventional lots do not adjoin park.
- Trees and parking bays along major street. Houses front artery, driveways from interior street. No private drives to major street.
- Bulletin board placed along major street inviting public to use of picnic table, informing them of community, telling of lots and homes available. Public park affords view of park interior and of public buildings from major street.

- [Grid] Allotment gardens in low fertile places.
- [C] Car parking area adjacent to stores, public buildings, and public park.
- L Private beach-fronting lots separate public beach from community beach.
- M Residence-business, as beautician, dentist, doctor, etc. Near parking and shopping center.
- S Playgrounds for small children, near each group of homes. One only shown.
- Small parks contain adult game courts only; will appeal to childless couples. Families with children will choose homes near playfields, schools, swimming pool, etc.
- As drawn: Streets 50 ft. wide. Lots, 125 to 150 ft. deep. Neighborhood size: 1,875 ft. by 2,375 ft. — 102.2 acres. Lot width: Conventional lots, 55 to 63 ft.; Livability lots, 75 to 80 ft.
- Number of homes: Approximately 338.
- Lot areas: 6,250 to 6,750 sq. ft.
- Interior street length: 9,030 ft.



# The Curtis Livability Plan

**B**BETTER ways to build cities! How often we have considered them in the past only to find that, if the new way is really better to live in, it costs more to build. Or, if better for the builder, it is less livable for the purchaser. We have come to feel that the needs of purchaser and builder are inimical — that what is good for one necessarily hurts the other. Now, these needs are reconciled to the advantage of both in the new "Livability plan" for subdivision design.

We all know that anything which makes homes more livable also adds to their value. Sometimes it adds to their selling price, but even if not, it increases their sales appeal, helps in resale, and makes better satisfied customers. Increased livability means greater profit in the long run. But these are largely indirect, long-term gains and few developers can wait for them. Most builders must make cost their only yard-stick. Here, then, is a new method of planning which the modern builder can listen to, because it does reduce cost while it also increases his income and heightens sales appeal.

First, how does the Livability Plan reduce cost?

- 1) It reduces the amount of streets to be built.
- 2) It locates streets more economically.
- 3) It cuts clearing and grading to a minimum.
- 4) It utilizes less costly land.

The research on which this planning method is based has been painstakingly worked out over a period of 15 years, with detailed comparisons made on street length, cost of utilities, number of lots obtained and over-all cost. Both grid and curvilinear systems have been used as bases for comparison.

For actual land parcels the results, briefly, are these:

- Where street length remains equal (in conversion layouts) number of lots is increased as much as 26%.
- Where the number of lots remains equal, street length is reduced as much as 30%.
- So assured is the author of the

greater efficiency of this planning method that a guarantee is given of obtaining 10% more lots with 10% less streets.

These cost computations will be shown in detail later, together with the plot plans for the same land laid out both in the conventional manner and by the Livability Plan.

Just how are the street lengths reduced? This is a system of neighborhood planning, not block planning. By careful street arrangement, all traffic is routed around, not through the neighborhood. Interior streets are for local traffic only, so fewer of them are needed. Consequently, street length may be reduced without causing congestion.

What is the key to this plan's greater efficiency in land use?

- Each street serves 10 to 25% more homes.

A leading FHA planner says, "In this system, street frontage is used to the very maximum." Just how this is possible will be shown in a later installment by charts and diagrams more clearly than can be done in words. But, though frontage can be used as efficiently as in wall-to-wall construction, the distance between houses is doubled over that of the average layout, and lot width is increased 15 to 30%. This wider lot permits greater choice in house location, saves trees and lessens clearing and grading on the lot.

And, not only do fewer streets serve more homes, but the streets may be located where they will cost the least. This is because of the greater flexibility in street pattern when planning by neighborhoods rather than by blocks. The resulting areas may be of any size or shape and yet be effectively used for lots. Usually the most economical street location is also the most efficient for locating utilities. Here again, this system adds two more choices for their location not heretofore possible.

Another key to this surprising efficiency in land use is this:

- There is no waste space.

There are no side streets which have no lots-to-sell. There are no

**THE FOLLOWING PEOPLE — authorities in their fields — say this after examining the plan in detail:**

"Your very extensive studies in subdivision planning have two original elements. Your system undoubtedly increases the number of lots to be sold without reducing the buildable area of each lot. It would definitely ameliorate unlivable conditions."

**Maurice E. H. Rotival,**  
internationally known planner,  
Yale University

"I see nothing wrong with your plan. I wish my own children could grow up in such a set-up."

**Herbert Starick,**  
city plan engineer,  
Dayton, Ohio

"Your plan would give members of the community a feeling of solidarity in times of stress. It has tremendous social significance."

**Dr. Willard Uphaus,**  
Executive Secretary,  
Religion and Labor Foundation

"I did not think it possible to obtain greater lot width and more lots to a block, but your plan does it."

**J. George Butler,**  
Minister,  
New Haven, Connecticut

"The Curtis plan enables the developer to give a greater frontage at no extra cost."

**Joseph Dillon,**  
developer,  
Cincinnati, Ohio

"In my opinion, your plan of subdivision design has many advantages over more conventional land planning."

**W. A. Simms,**  
developer,  
Dayton, Ohio

"Here is a plan of tremendous potentialities, and I predict that when the public once discovers its significance it will be widely adopted."

**Dr. Robert L. Tucker,**  
minister,  
New Haven, Connecticut

lots served by two streets. There are no over-sized lots, no huge pie-shaped lots with narrow frontage, as often in the curvilinear system. There are no narrow lots with long, unusable back yards.

Unbuildable land is made to add sales appeal without costly clearing and grading. In fact, land with a hill, stream, forest or rocky outcrop becomes more desirable than the costlier flat land, enabling the builder to use cheaper land for his development. Even when all this natural beauty is preserved, the remaining buildable land is so efficiently used that the builder still gets more lots per acre in the over-all layout. The area left natural requires no grading and usually little clearing. Very little of the top-soil is ruined, which means conservation of a fundamental resource. The area for lots is chosen because the least grading will be necessary. Throughout the whole development, each land-use portion — streets, lots and park — is used for the purpose which is natural to it and to which it can be converted at least cost.

But, with less street and more homes, how can the community have more sales appeal?

● *Because it is a more attractive, more livable community.*

Gone are the tight little rows of houses with space only for a drive between. The Livability Plan is open, houses are far apart, with spacious lawns and many trees. Houses have sunlight and space on all four sides. It eliminates completely the problem of street orientation, one of the planner's worst headaches. It simplifies the architect's problems.

Because of the wider lot, the builder may use the popular ranch-type home in lower-price brackets. If he does not wish to increase floor area, he may still achieve a larger-appearing house by using breezeway or carport-and-outdoor-storage plans. In spite of greater lot width, the area can remain the same as in other systems. There are no wasted corners. Every square foot is used.

Added lot width gives opportunity for varying the houses, so that the oft-heard criticism of modern neighborhoods — their depressing monotony — is minimized, even when the builder repeats the same floor plan. The wider lot gives the purchaser space for the expression of his own personality in planting, in land use, and in adding to his house to meet his ex-

panding needs. With the greater lot width, two or three rooms may be added without darkening any of the existing rooms. This makes for less frequent resale and a more stable neighborhood.

Spaciousness is evident not only along residence streets. It is also felt along the major street which forms a boundary of the neighborhood. There are no private drives entering these streets. Nor are they disfigured by the backs of houses and garages.

In passing a Livability community, one sees homes set far back, with their attractive fronts facing the highway. But the driveway entrance is from a local street behind. This will be apparent from the sketches which will follow in a later installment. In several places along the artery, the passer-by will have a vista of a park within, with a school or other public building bordering it, and of game courts and playgrounds, perhaps wading or swimming pool. The developer builds none of these but he does leave space for them. He makes it possible for people to help themselves. Also, whatever natural beauty the land possesses — stream, hillside or trees — is preserved and so planned as to be visible from the highway. Beach or view property, particularly, can be used to far greater advantage, with direct access to beach provided for the whole community without having to cross streets.

The park is not great in area, but great in extent and usefulness. It is accessible directly from most homes, and leads to a neighborhood shopping center. It protects children from traffic dangers, whether playing, going to school or to shops. The park separates vehicular from pedestrian traffic, which can mean a further saving in street-sidewalk construction.

How this park can be provided with no cost to the city or developer will be shown later, together with cases where this has been done with great success — where all park maintenance, policing and supervision is being done for \$2.50 per month per family. This small cost to the purchaser is offset by savings in taxes, for each neighborhood already owns all the land it will ever need for public buildings and public use, and that land is so planned that it will become in time a beautiful community center. Remember that the developer is not "giving away" all

this park area. He is gaining back in added lots more than he lost in the park. And he cannot get these added lots without the use of the park. This will be evident later from the diagrams on lotting.

"This Livability planning makes every advantage of country-estate living available without its prohibitive cost — unbelievable as it sounds." These are the words of Albert Balch, Seattle's famous realtor and builder of prize-winning communities and former president of the National Association of Home Builders. Yet this can be done only if the developer plans for it from the beginning. It cannot be added later. Neither can individuals achieve it for themselves. Such advantages can come to our people only through the homebuilders of our nation. These builders must be men with courage enough to look into the face of a new idea, with vision of the future, and with a spirit both daring and unquenchable. If they will, these men can now bring together the convenience of the city, and the beauty, freedom and friendliness of the countryside, to form a pattern of abundance of living never before achieved in our world.

Yet the developer will lose nothing. He can utilize less costly land, his costs are less, his income is greater. Though the whole neighborhood (100 to 1,000 homes) must be planned as a unit, it may be owned by several developers, and can be built as demand indicates. The layout may include some conventionally planned blocks, and others may be converted to conventional planning later if found advisable. The first street may be put in with ordinary planning on one side and Livability planning on the other as a perfect test of market acceptability.

With all these advantages in living, the finished development presents no startling innovations to the prospective purchaser. Only one element in this method is completely new, and that one is invisible on the ground, appearing only in the blueprints. All the other unusual features of the plan have been proved good by years of use, usually in the higher price range. Never before have these features been put together to form a system. Yet they dovetail perfectly, each solving a problem raised by the other, and used together they achieve this greater livability at less cost.

(Continued next month)

# Make Your Sale Homes Safe

For few extra dollars you can build safety into your for-sale homes. And you can turn it into an effective sales tool. Prospects look for safety features, and you'll be well on the road to sales by showing how you've insured the owner's safety

**M**ORE than 30,000 people die from accidents in the home each year, nearly as many as are killed on the highways. Even though no house can be 100% accident-proof, research figures show that the main cause of home accidents is design, not materials and construction. Not only are you doing your part to decrease accidents by designing your homes as safely as possible, but safety features in a home give you strong extra selling points.

According to Fred Brunetti, builder in northern New Jersey, "The public has grown so used to the safety factor that failure to take it into consideration when planning a house immediately labels that home as old-fashioned."

Brunetti's present project, 60 three-bedroom, split-level homes, includes many of the safety recommendations offered by the National Association of Home Builders.

"Our split-level design," Brunetti says, "avoids the 12 or 13 winding steps common to the two-story house. In addition to being well-lighted, our six steps between levels are set up with strong handrails. The possibility of long, injurious falls is greatly minimized."

"Every door opens inward and against the wall, eliminating the danger of running into free-swinging doors. The lock of the bathroom doors automatically unlocks when turned from the inside, so that a child who locked himself in could easily get out. All closet doors are of the new sliding type, not only to cut down the possibility of accident, but also to create more usable wall space in each room."

"The whole house is designed so that furniture may be set up in groups along walls instead of interfering with the passage of people through individual rooms. All shelves or other protuberances are eliminated from halls which are, of course, adequately lighted."

"In our full bath we have installed a grab-bar to eliminate the danger of slipping in the tub. All windows on the third, or bedroom level, are more than two and one-half feet from the floor so that curious youngsters will be in no danger of tumbling out."

Here are some other safety precautions which prospects consider important:

## Prevent Accidents Outside

- Plan adequate night lighting on the grounds.
- Remember that gently sloping walks or ramps are safer than outside stairs, that short flights of steps with platforms between are safer than long flights.
- Provide handrails for all steps and a non-slip surface for walks, steps and ramps.
- Locate the walks and steps so downspout or other

water doesn't drain across or stand in puddles.

- Plan the drive for easy grades and maximum visibility, with no blind spots from shrubbery or buildings.
- Garage doors should open easily, lift or roll up out of the way.
- The safest entryway is a platform elevated only one step above the ground. If the platform is more than ten inches above grade, it should have railings and a canopy roof for protection from rain and snow.
- Entrance level should be adequately lighted with a convenient switch.

## Prevent Accidents Inside

- Permit free passage to all rooms with easy turns and no congestion points. A well planned hallway can carry most of this traffic.
- Plan each room so furniture can be placed out of the traffic ways.
- Doors should not swing into normal traffic lanes or hallways, strike other doors, or be located near stairways.
- In a two-story house, two baths are a good safety investment.
- Children should be provided with a play area out of the way of normal traffic.
- Stairs should be laid out with straight runs and square landings. "Winding" stairs and angle treads are unsafe. Plan the surfaces, contours and joints of stairs to lessen the difficulty and danger of cleaning them.
- Be sure halls and stairs are well lighted by both windows and fixtures.
- Install three-way switches on stairs, in long halls and main rooms so that lights may be turned on or off at either entrance or exit.
- Provide plenty of electric outlets to avoid tripping over extension cords. Outlets should be of the plug type, protected with plastic caps to prevent children from coming into contact with live wires.
- Windows of bedrooms, playrooms and second-floor rooms should be at least 32 inches above the floor. Consider the newer types of windows which can be safely cleaned from inside the room.
- Plan work areas in the kitchen so movable equipment will not protrude. Avoid sharp edges and corners.
- Cooking range should be at least 18 inches from the window so that curtains cannot blow across burners.
- Adequate lighting day and night is most important in the kitchen. Continuous fluorescent fixtures hidden beneath the overhead cabinets will provide good artificial down-lighting for work surfaces.
- It is safer to place the laundry or utility room next to the kitchen. This prevents stair trips to the basement.
- Locate all electric appliances, outlets and switches far enough away from water faucets, pipes and

(Please turn to page 32)



# What's Wrong With Your Classifieds?

By ARTHUR KROEGER  
*Associate Professor of Marketing*  
Graduate School of Business  
Stanford University

Real estate ads in general are "fairly good," say home owners and prospects interviewed by a Stanford professor. But, in credibility, they rate only "fair." Many bona fide criticisms are leveled in this survey which can help you add sales punch to your classified ads

WITH signs of a much more competitive market ahead, real estate brokers should be interested in the selling effectiveness of their advertising. With this thought in mind, a study of recent buyers and prospective buyers of real estate was made to get their reactions to "typical" real estate advertising. This study included a limited number of people, all located in one geographical area (the San Francisco Peninsula area) and they were selected for availability, not on a scientific statistical basis. However, some of the criticisms and suggestions warrant serious consideration by real estate executives and their advertising writers throughout the country.

The people questioned were buyers or prospective buyers of both new and existing homes. What do these customers and prospects think of real estate advertising in general?

It was difficult to get a general rating of real estate ads, because most of the people questioned said ads vary greatly, and no one rating is fair. When pinned down to a general rating, the average opinion came out about "fairly good."

With respect to "credibility," the average rating was only "fair." Real estate ads rated well below the average rating for retail newspaper ads in general and only slightly above the rating for "used car ads." They rated about equal to national advertising of cosmetics and allied items. You can see that the

general impression is none too favorable to real estate advertising.

In defense of the realtor, many of the respondents qualified their statements, and in conversation said their opinion was probably influenced by a few particularly "bad" ads.

Real estate ads rated high with respect to "amount of information contained in the ad." The average rating was a strong "good."

It can be seen that these people's general ratings of real estate advertising is much higher than their ratings of real estate salesmen ("What's Wrong With Your Salesmen" — October JOURNAL). And, it is only a fraction of the total ads that cause prospects to hold a poor opinion of real estate advertising in general. The remedy is probably to attempt by local moral pressure and education to improve the ethics of the fringe group that is causing the trouble.

A large share of the respondents said that the ads run by individuals selling their own houses rated far above real estate brokers' ads with respect to "credibility." But, broker's ads rated higher with regard to "information provided."

What about the specific criticisms these people leveled at real estate advertising? The chief criticism was that "the ads are too glowing and exaggerated." Some of the objectionable phrases cited were: "a perfect gem," "just what you have been waiting for," "an architect's dream," "a perfect setting." A naive house hunter who believed these phrases was so let-down when he saw the property that, even though the house was quite acceptable, he couldn't get interested in buying. The result was a loss of confidence in the firm that had written the ad.

Later, these people began discounting all ads, and probably failed to respond to ads written in a calm and accurate tone. In time, they learned to spot the exaggerated ads and to interpret them in terms of their needs. But almost all the interviewees had experiences which left them annoyed, if not bitter, toward the real estate field.

One person told about responding to a "glowing" ad which contained this final paragraph: "and in the rear of this lovely estate is a charming two-room



guest house — just the answer for the family with an elderly mother-in-law who would like a little 'home of her own near you.' When this prospect was shown the so-called "guest house," he almost fainted. In his words, "It was nothing more than a slightly improved chicken house."

Another person responded to an ad that raved about the "breath-taking view of the Bay" that the owner would have. The salesman showed her all through the house (which actually was a very nice house). After seeing the house, the prospect asked the salesman where the breath-taking view was. The salesman escorted her to the upstairs back bedroom, and, leaning far out of the corner window, said, "If you look right between the two houses across the street, you can catch a nice view of the Bay through the branches of that redwood tree."

The second major criticism is closely related to the first. Too much stress is placed on the "unusually low price" of the house being advertised, when, actually, the price is right at market value or above.

A house is such a major expenditure, most people spend a lot of time looking at houses before buying, and soon get a fairly good idea of what a "fair" price is for a certain type of house. They say such ads really fool no one, and the only result is a feeling of irritation and loss of faith.

The third significant criticism voiced by these people was that real estate ads frequently carry inaccurate statements about the house or its features. The people questioned said this criticism was more than "over-enthusiasm." One illustration they gave related to the type of architecture. Often ads described older homes as "cape cod" or "colonial" when the house could not, by any stretch of the imagination, be classified under these styles of architecture. The ads were usually accurate in describing houses as "ranch-style," "modern," or "contemporary," but, evidently, the ad writers didn't know any other style of architecture and used what they considered a "good-selling style name" for other houses.

Another example of inaccuracies was in describing the rooms. A "spacious family breakfast area" or "plus breakfast room" would become a small vacant corner in the kitchen where two or three people could crowd around a card table for a bite of breakfast. A separate "maid's room with bath" was often an oversized closet with a tiny half-bath adjacent to it.

Frequently the neighborhood described as a "highly desirable neighborhood or location" was a "very spotty" or "erratic" location — a conglomeration of houses greatly varying in size, type of architecture, price, and quality of landscaping.

Most of the people questioned in this survey dislike ads that omit the asking price. They particularly objected to spending their time looking at houses far beyond their means, and being embarrassed by liking the house but having to admit it is too much for them to spend. Also, they said that looking at these "better" homes spoiled them for the houses being offered in their price range.

A general criticism frequently given was that many of the ads just "didn't give enough information." The result is that many people, fearing to miss a good house, ask to be shown many houses that are not at all what they want. Both prospects and salesmen waste a great deal of time. One person said, "We were interested in buying a house in the medium priced 'Buick' class, but were so confused by ads that we spent 90% of our time looking at houses

in the 'Cadillac,' 'Lincoln,' 'Ford' or 'Chevrolet' classes. I can't think of another field of selling where this situation could exist."

One last, rather pointed criticism, was that many writers of real estate ads use too many abbreviations. Such ads are probably easily read by the experienced broker or salesman, but for the average layman such abbreviations can be very perplexing.

#### Prospects Ad Suggestions

At this point you are probably wondering, "And just what information does the prospect want in an ad — or think he wants?" Here are some suggestions received from a large enough percentage of the persons questioned to be included in a list of "What prospects want in real estate ads:"

- 1) A more factual, restrained approach — they dislike over enthusiastic, glowing terms.
- 2) An accurate description of the architectural style — if it is just a "house" then don't try to label it with one of the classical styles.
- 3) An accurate description of the "floor plan" — Is it "central hall," "reverse?"
- 4) The total living area in square feet, and an accurate description of the number of rooms. This enables the prospect to determine fairly well if the house meets his general basic requirements. Although many of the prospects would like details about the room dimensions, they realize that advertising rates are too high for that. But they feel that the above information, plus price, would give them a pretty accurate idea of the house.
- 5) The asking price — almost everyone questioned is insistent on this point, and many also want to know the terms. They add, "Don't rave about the 'bargain' prices unless it is an unusually good buy."
- 6) The lot size, either in terms of acreage or dimensions. For most prospects, lot size is of considerable significance. They want to consider the up-keep time and expense, or, in California, the possibility of installing a swimming pool.
- 7) An accurate description of the location. These people realize that an exact location might disclose the house involved and lead to either "direct" buying or buying from a favorite salesman of another firm where the house is also listed. But they think the ad should truthfully give the general area and the character of the neighborhood. Many respondents also said they would like to know if the house is near a school, church, or shopping area.
- 8) Less frequently mentioned items, which might come under "miscellaneous," include: Amount of closet space, storage space, garage facilities, type of construction, heating facilities, and many unusual features.

The results of this survey do not give the real estate ad writer a sure-fire list of easy rules that are certain to sell houses. The people questioned were probably over-influenced by the type of ads they condemn. Since it is very difficult to know what does influence people, the criticisms and suggestions in this article should be considered with these facts in mind. However, ads written more in keeping with the general attitude of the above suggestions should result in a more effective program of advertising and, in the long run, create more confidence and goodwill for the real estate company which uses them.



Fully landscaped Gill home shows natural pines and oaks which are left on property when possible to avoid look of rank newness

Plan shows three-bedroom home with carport, large living-dining room, two bathrooms and ample storage space inside and out

## Homes Our Readers Are Building

**Florida real estate builder offers waterfront homes at moderate cost**

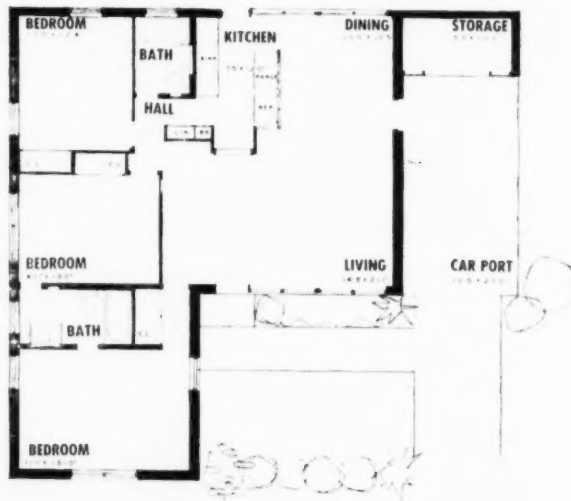
**T**HE concrete and stucco homes in Lauderdale Isles, a new subdivision built by the Gill Construction Co., Fort Lauderdale, Florida, are designed to interest medium-income boating enthusiasts. All homes face the waterfront and are built on natural, fertile ground rather than on filled land, dredged from ocean or river bottoms.

The subdivision offers seven different floor plans in two- and three-bedroom models. The two-bedroom, one-bath homes which cover 1,100 square feet, sell for \$10,250; three-bedroom, two-bath homes, covering 1,400 square feet, are priced at \$12,750. Most of the completely landscaped homesites measure 60x110 feet, but larger lots are available.

All homes have attached carports; louvered glass windows, exposed, beamed ceilings; tiled kitchens and baths and monolithic terrazzo floors. Three-bedroom models are fitted with exceptionally spacious master baths, which have built-in Formica-top vanity tables, double mirrors, two linen closets and Crane, Kohler, or American-Standard fixtures. Homes are equipped with General Electric, Carrier or York air conditioners, and Jet-Flow or Panel Ray gas-fired space heaters. Interior paints are Glidden; locks, Schlage.

Each house has a large utility closet adjoining the carport, providing ample storage space for yachting equipment.

A total of 85 houses will be built in this section, about 65% of which will be three-bedroom models. A completely furnished demonstration house featur-



ing General Electric light conditioning was opened early this season.

Gill Construction Company advertising is concentrated in three media: Fort Lauderdale newspapers; Sun Colony magazine published in Fort Lauderdale and distributed throughout the eastern U. S. and Canada; and outdoor boards and directional signs. The directional signs, which are placed along main roads leading to Gill developments, have been effective in attracting potential customers who are not reached by other advertising.

The company also distributes a gayly colored booklet picturing points of interest in and near Fort Lauderdale and displaying a map of the city to visitors free of charge. Since April the company has widened its publicity. Releases giving information on new Gill projects are mailed to newspapers and magazines in 22 states and Canada. The response has been good from many parts of the country.



**Realtor-Builder David Bohannon features swimming pool with Westwood Homes**

Big attraction of Westwood model home is the \$1,650 concrete swimming pool with filter system and algae resistant liner

SOMETHING new has been brought to the home-building, home-merchandising field by the David D. Bohannon Organization, one of the nation's largest producers of well-designed, medium-priced, tract housing.

Bohannon, who centers his construction work around the San Francisco Bay Area, is now building a 500-home community known as Westwood, in Santa Clara. Plans for the tract, which won last year's award of the National Association of Home Builders for outstanding community planning, include a school, shopping center and park.

It is in this tract that the purchaser of a new home can find something unique in the "tract home" type of development — a swimming pool in the back yard!

Bohannon is merchandising homes similar to the one illustrated by making available an inexpensive backyard swimming pool which, with a filter system, can be installed for as little as \$1,650.

The new type reinforced concrete pool with an algae resistant plastic liner is the central feature of a landscape plan that utilizes practically every inch of the 72x95-foot lot to provide a maximum of out-

door living and privacy along with a minimum of upkeep.

The Westwood development home has three bedrooms, oversize double garage, separate dining area, hardwood flooring, conventional foundations, cedar shingle roof, blower-type furnace and Philippine mahogany on the living room fireplace wall.

The house sells for \$12,650. All of the floor plans are the same, except for one model which, with a lavatory off the kitchen, sells for \$13,900.

Ronald L. Campbell, vice president of the Bohannon organization, calls the Westwood development "country club living on a budget price basis." He reports that the new type swimming pool is ideal for the average backyard and "by combining its low price with the low price of the home" Bohannon is selling every unit in the tract as soon as it is completed.

Typical ranch house in 500-home Westwood development in Santa Clara, California. Plans include school, shopping center and park





How often do your salesmen talk themselves into a sale and right out of it again by failing to recognize the right moment to close? Experienced salesmen know there is no one set of rules, that it takes alertness, common sense, and knowledge of selling fundamentals. This article will give your sales force . . .

By **RAY H. ARNOLD\***  
Earl F. Thayer Company  
Toledo

# Tips

## for Clinching Sales

**S**HOWING a home is not a picnic. A sales interview is not a parlor game. Both activities are opportunities to render others a service and earn money.

In selling a home, the fundamental principle is that the master closer builds toward the major decision from the beginning of the presentation and showing of homes.

The "close" is not a thing apart from the sales process. Normally, it is the climax of an interrupted sales story. A happy ending is possible only when all other parts are adequately developed and skill is employed at the end.

At times, however, the closing of the sale is not easy.

When the going is rough, the ace closer is ready and able for the task because he is equipped with ideas and methods he can use in the various closing situations.

As a salesperson, if you understand the principles and methods of the "close," as it effects a contract between the buyer and seller, as well as you understand the other aspects of selling, you should reach the final step with no anxiety or fear. You should be cool, calm, considerate, tactful, and diplomatic. Knowing that you have performed all the other tasks involved in selling, you are confident that the final decision will be favorable.

During home showings, most of the selling takes place when you point out the relative merits of the home being inspected.

Closing is the key to the entire effort.

Unless it is managed intelligently, all the time consumed is flatly wasted. Closing is acknowledged to be the most important part of the sales process.

Many salespeople declare that closing the sale is their weakest skill, the one they struggle with, the phase of salesmanship concerning which they seek full information and insight.

As a general rule, your judgment is no better than your information and experience, and your understanding of the information and interpretation of the experience.

Broadly, success in closing depends upon your ability to cause prospects to perform five essential steps, namely:

- 1) Obtain an adequate conception of the property.
- 2) Have a clear understanding and appreciation of the values of the property.
- 3) Weigh the evidence you have presented favorably.
- 4) Know just what they must do to buy the home.
- 5) Arrive at a conclusion resulting in purchase.

Water is not adequately evaluated by saying that it consists of two parts hydrogen and one part oxygen. The great thing about water is its many *uses*.

Buyers of homes are interested in the construction of the house and the *uses* that can be made of it.

In the closing part of the sale, it does not seem necessary to review all the data, but only such data as are essential to the purpose in hand. These essential details depend largely upon the reaction of the buyer.

Prospective purchasers of a home want to feel satisfied that the home will do for them what their minds and hearts desire. People are moved by various impelling motives as well as by reasoning through deliberation.

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The old haphazard "high-pressure game" is gone. The slapstick days are chapters in the folklore of selling. Closing now demands caution, integrity, and sagacity.

It is well to remember that desire is seldom real unless the home-hunter is able to gratify it. If you have genuine selling ability, you will discover when desire is fully aroused. Unless you are alert, you may pass by the buying point — talk too much, think too little. Much depends upon the selection of values: features, advantages, comforts, conveniences, pleasant surroundings and neighbors, and your manner and method of relating them to the individual members of the family are all extremely important.

Make a test by asking a leading question such as: "The size and arrangement of this kitchen is especially good, isn't it?" The answer may indicate that the prospect is ripe for picking. As you walk from room to room, to the basement, around the grounds, be wide awake — observe the values that impress buyers the most. Gear your test questions to these absorbing interests when you make your trial close. Avoid being premature. Some minds operate rather quickly, others slowly. After you have done a good job of selling, try out the prospect's desire. Do not place the cart before the horse. Adapt yourself. Be convincing. Be persuasive. Be pleasant. Be patient.

You must make purchasing as easy as possible. All needed information should be given; all points of uncertainty cleared up.

When desire is surging and action is evident, the prospect is in the "buying mood." Do not wait any longer. Try to close.

#### Competence in Closing

Joseph Howe enjoyed the reputation of being a very good salesman and an ace closer. He was a tall, mild-mannered, neatly dressed individual with a pleasing, strong personality. Howe was friendly, a man who could create and inspire confidence quickly. His easy style was natural for him, never fiery, but firm, forceful, and persuasive. He gave the impression that he knew what he was talking about.

Thomas Baker, a beginner in the real estate field, was assigned to Joe for general instruction and training as he served as supervisor for the Carey Realty Company. One evening, Baker was given the opportunity of observing the supervisor in action.

As they rode along in the car, Baker listened to him. "In closing, lack of correct answers to important question is one of the crimes of omission. If you do not know the right reply, it is wise to admit it. 'I do not know exactly but I will find out and advise you'."

The supervisor stressed the importance of adapting oneself to the attitude of the buyer. He followed the prospect carefully and thoughtfully, looked him in the eyes, gave him undivided attention, sympathized with the speaker, and agreed with him as much as was advisable.

#### The Key to Success

While walking leisurely from the car to the home of the prospects, Baker asked Howe several questions. "Do you think closing is the most important phase of the sales process?"

"Yes, it is."

"How did you acquire your skill?"

"Through study and experience, and by listening to others tell about their failures and successes."

"What is the key to success in selling real estate?"

"If you want to be successful as a real estate salesman, you should realize that you have a mission to perform — go about your work with understanding, honesty, and enthusiasm so that you may impress those with whom you come in contact."

"Put yourself wholeheartedly into your business. Make a study of it. Study people. Put yourself in the other man's place. Adopt what is called the 'You Attitude'. As you know, a real friend thinks of the other fellow's point of view first. Serving is every bit as significant as selling. You can learn much by just listening to people."

"When Ambassador Morrow called on President Calles the first time, he merely passed pancakes, praised the cooking, lit a cigar, and urged the President to inform him about Mexico."

"Learn all about selling, know your property, the ways to influence people, and work out effective means of closing sales."

Mr. and Mrs. Sanders were reading in the living room when the two men reached their home.

The Sanders had inspected a four bedroom brick home on the boulevard, overlooking the ravine. They had seen an advertisement of this home several days before in the local newspaper.

Howe phoned for an appointment in the morning of the day for this interview that he hoped would end in a sale.

The supervisor was thoroughly familiar with the various closing methods. He knew the importance of the right kind of questions, those designed to get affirmative answers.

#### How to Conduct the Closing Interview

After the customary exchange of greetings, Howe asked (rising inflection): "When you were looking at the home on the boulevard, you stated that your family needed a four bedroom home and that it must be brick?"

"Yes, we need four bedrooms. And we want to get away from painting — a brick house is the only kind we are interested in," said Mr. Sanders.

Notice that the supervisor began the closing interview with a comment Mr. Sanders previously had expressed. In doing this, he appealed to pride. He wanted to get Mr. Sanders' ideas out in front, examine them, and use them to their mutual advantage if it was at all possible to do so.

"You indicated, if I remember correctly, that you desired a four bedroom brick home in this vicinity, overlooking the ravine."

"We like the view where the brick home is situated," added Mrs. Sanders.

Mr. Sanders spoke up: "I'm wondering how good the furnace is? Would it be wiser to install a new gas furnace, or a conversion gas burner? Do you know the cost of a conversion burner?"

"Depends on whether the burner is oil or gas fired."

Howe mentioned \$250 as a probable price for a conversion gas burner. It was agreed that the heating problem could be worked out later. The supervisor did not try to sidestep the question. He knew that the best way to handle a possible objection is to answer it. The bedrooms, kitchen, bathroom, basement, lot, and landscaping were all discussed.

#### The Tryout Close

Howe ventured a tryout close: "If you made an offer on the brick home, would it be necessary for you to sell your home here?"

"We would wish to sell this home, of course, but there is only a small mortgage on it — about \$2,000. We could make the down payment on the brick home if it were not too high."

Howe picked up the cue immediately. Opening his brief case, he gathered up two booklets, one on FHA mortgages, the other on monthly installments with 15-, 20-, and 25-year payment periods.

Being careful how he phrased his questions, the supervisor queried: "How would you prefer to finance the home if any offer you make is accepted?"

"What is the difference between an FHA loan and other loans?"

The loans were clearly explained to the prospects. Then addressing his wife, Sanders exclaimed: "I believe the FHA loan would be acceptable, don't you dear?"

The down payment; monthly installment, including principal and interest; mortgage insurance premium; fire insurance, including extended coverage; and taxes — all calculated on a monthly basis — were completed by Howe, Mr. and Mrs. Sanders studied the totals, and found them to be favorable.

#### **The Problem of Price**

The sale was not yet made. The problems of offer and price acceptable to the owners were still to be solved.

The listing price of the brick home was \$25,000.

Mr. Sanders felt that \$23,500 was a good price for the home.

Howe was familiar with the process of negotiation that sometimes occurred between the buyers and owners. He wanted to put something in writing and have it signed.

He did not quibble about the \$23,500 offer at the time — let well enough alone, one thing at a time, was his philosophy.

"I will do the best possible with your offer, I assure you. Asking price is \$25,000. We never know exactly what owners will accept until we submit a bona fide offer with a substantial deposit.

"To insure that your offer will receive serious consideration by the owners, believing they have a sale for certain, would you make a deposit of \$1,000?"

After some discussion on this point, the Sanders consented to write out a check for \$1,000; additional deposit of \$1,000 upon acceptance.

The first offer of \$23,500 was rejected by the owners.

#### **How to Complete the Sale**

An ace closer, like an ace golfer, is very good in the use of his tools.

An ace golfer is good; driving off the tee; on or off the fairway; approaching; chipping; putting.

The putting area of the golfer and the closing stage of the sales closer have much in common. How good are you at putting? How good are you at closing a sale? How many putts do you need on the putting green to make the hole? How many trial closes do you need to make the sale a sure thing?

Supervisor Howe needed two closes to complete the sale. Would that make him an ace closer? What do you think?

When he returned to Sanders, alone, with a counter offer for \$24,000, he experienced some difficulty. Mrs. Sanders felt a reduced sale price from the original \$25,000 was in order because she wanted to redecorate the rooms.

Howe thought it was prudent to compromise in

some way. Taking nothing for granted, he decided to summarize the main selling features.

"It is my understanding that you and Mrs. Sanders desire to make a change of home, and that you like the brick home on the boulevard.

"You feel you need a four bedroom home.

"You want a larger, more modern kitchen with ample cupboards, with which this home is equipped.

"The bathroom has ceramic tile on the floor, and on the walls up to the shower, and you are partial to this feature.

"Your present home has a dinette, whereas the brick home has a spacious dining room such as you feel you must have in any other home you buy.

"The basement is so arranged that you can easily make a recreation room down there for use in winter as you suggested.

"The lot is larger than your present one — 25 feet wider and 40 feet deeper.

The garage is a two car garage, one side of which you can use for storage.

"The four bedroom brick home you have made an offer on combines the features you have been wanting for some time. That is true, isn't it?

"Four bedroom brick homes in a wooded area overlooking a ravine are very difficult to find.

"Here is the owners' counter offer, signed by them, stating their actual selling price.

"Your signatures will make the offer bona fide, a certainty. You will take possession as soon as the application for the FHA loan is serviced."

Howe then took his fountain pen from his vest pocket and handed it to Mr. Sanders.

Cordial feelings were shown by the buyers and Howe, as the supervisor departed for his home.

When in his car with Baker, the ace closer added some thoughts: "Match the property and the prospect, Baker. Be careful what you say and how you say it. Don't hesitate. Go right to your goal — wrap it up."

#### **Home Safety**

*(Continued from page 25)*

radiators, so it is not possible to touch the electric unit and the grounded metal at the same time.

- In the bathroom, non-slip flooring and strategically placed grab-bars are recommended.
- A mixing valve with a single control on shower will prevent scalding.
- Provide a special locked and lighted compartment for drugs — high enough to be out of children's reach.
- Storage throughout the house should be adequately designed for specific purposes and located near where the article stored will be used. Falls happen when storage space is crowded or difficult to reach.

#### **Prevent Fires**

- Make sure roofing material is fireproof — aluminum, copper and other metals give best fire protection.
- Provide the house with at least two outside water faucets, one on each side, threaded to take the garden hose in case of emergency.
- Inside, be sure electric circuits are sufficient to carry peak loads and that the entrance box is in a readily accessible position.
- Provide separate circuits for laundry-utility and for kitchen-dining area.



## Give the bath room

There's no room for the cramped-up bathroom in today's competitive market. With a little more space, well-planned with attractive fixtures, the bathroom can become a major sales feature. Here's what you can do to pack more salability into your bathrooms

WINNING DESIGN BY J. A. CURTIS IN NATIONAL ARCHITECTURAL COMPETITION

JOHN COMPANY PHOTOS

**R**EAL ESTATE builders and managers know that convenience features in kitchens and bathrooms have much to do with how well a home sells or an apartment rents. They know the average prospect wants a home which has ample bathroom facilities to serve more than one person at the same time.

Just such a bathroom is pictured here. It provides the efficiency and privacy of two bathrooms at little more than the cost of one, making it possible for as many as four members of the family to use the room at the same time.

Compartmentalizing is the secret. Twin counter-top lavatories, a sliding door for the closet and a simple draw curtain around the bathtub do the trick. The tub enclosure is made attractive with walnut-colored laminated plastic. Other appealing features are baseboard heating, rubber tile floors, recessed ceiling lights.



# How to Make Rehabilitation Pay

You can buy run-down properties and rejuvenate them for sale at a profit. Or you can analyze them for modernization, and sell your management services — plus the rehabilitation program — to good advantage. So says Realtor R. Gordon Tarr of Cincinnati. He has received as high as 18% return on such investments. And his company finds that this activity also brings in new business for its management, brokerage, building and insurance departments. How do you do all this? Here are this company's time-tested methods

**REHABILITATION** of run-down income property can do more for your business than you think. In Cincinnati Realtor R. Gordon Tarr of Walter H. Tarr & Son says his rehabilitation program has brought in new management business, increased his maintenance supervision department, built up sales, and helped him write more insurance. And he has received returns as high as 18% on his rehabilitation investments.

You don't need to be in the management business to get started on rehabilitation work. There are plenty of opportunities to get started from scratch. Here are Tarr's methods:

## **Make a Survey**

Start with a survey or study of the area where you wish to work. Find run down properties which are structurally sound, but through neglect, deferred maintenance, or lack of professional management have been allowed to deteriorate. Make a thorough inspection of the property, noting all items which require attention. Contemplate how the property can best be modernized with inside private toilets, baths, showers, hot water, white enamel sinks. Keep in mind that there are economic limits to rehabilitation. Some areas will justify installation of dishwashers and disposals, while in other areas it may only be sound to install inside toilets and shower stalls.

Rental for the improved accommodation should be estimated so that you don't over-improve. Plan with a plumber where new plumbing can legally be located to keep the property in compliance with code requirements. In most cases windows can be cut and partitions built to house the new plumbing facilities.

Generally, fire escapes are in need of a thorough repair job. Many properties have been split up into small units and old fire escapes no longer are adequate for the number of families living in the building. Extension of balconies or addition of new balconies often will comply with building code requirements.

Talk over the proposed changes with officials of the building department and planning commission

of the city to be sure that no public improvement is to be located on or through the property. As a rule, most of the improvements, such as parks, playgrounds and new schools are a long time between the drawing board and actual construction. Rehabilitation can be done in a couple of months and its cost written off long before such projects are ready to start. The property is just that much more valuable to the owner and, in the meantime, the occupants have had the benefits of safe, decent, sanitary housing at no expense to the taxpayer.

Before going too far in the survey, Tarr suggests that you contact the owner and try to negotiate a selling agency agreement. If the owner is not receptive to selling, propose that he give you a management agreement including the rehabilitation program. Show him how modernization and repairs will bring him increased revenue, more than justifying its cost as well as the management fee. In this way, you will not have wasted time making the survey. When he talks about a particular part of the property, you will have an intimate knowledge of what he means and how you plan to remedy it.

## **Take Pictures**

Back up your sales promotion with pictures of "before" and "after" from other jobs. You'll be surprised how effective these pictures can be and how it eases the sales job. Some owners haven't seen their property for years and don't realize its deplorable condition. Tarr says he uses a Polaroid Land Camera because it gives him a picture within a minute after it is taken and he knows he has picture before leaving the property.

## **Get Estimates**

Get as many estimates of cost as you can. After doing a few of these jobs you begin to get a fairly good idea of what it will cost to rehabilitate a particular property. With this cost in mind you can judge better what price an investor can afford to pay for the undeveloped property. Every broker has a prospect list which can be dusted off and put to work.



## Expenses on Four Typical Rehabilitation Jobs

Walter H. Tarr & Son, A.M.O.  
Cincinnati, Ohio

Number of units	5	3	5	5
Number of rooms	18	18	15	17
Monthly rent "before" (under rent control)	85	81	136	84.50
Monthly rent "after" (no control)	147	115	175	153
Increase per month	62	34	39	68.50
Increase per year	744	408	468	822
Gross return on expenditures	18.087%	9.02%	16.163%	18.24%
Number of years to write off	5.52	11.08	6.186	5.481
<b>Types of work done</b>				
Plumbing (including walls and fixtures)	\$2,033	\$1,910	\$2,394	\$3,141
Plastering, masonry	203	911		
Carpentry (windows, doors, floors, and stairs)	204	417	2,184	226
Roof, Gutters, Spouting	252		482	
Electric Wiring	723	552	627	49
Installation of Gas service	65	35	268	
Fire Escapes, Iron Doors	121		210	533
Painting and Decorating (interior and exterior)	257	410	300	517
Hauling Rubbish	28	34	15	15
Miscellaneous (including building permits)	227	255	15	26
<b>TOTAL</b>	<b>\$4,113</b>	<b>\$4,522</b>	<b>\$6,495</b>	<b>\$4,506</b>
		*Fire loss	3,600	
			\$2,895	

\*Property sustained fire loss just before rehabilitation work was begun and damage was repaired along with rehabilitation

You may find that you want to take an interest in some of the property yourself, as a partner. By so doing you can be certain of the management and at the same time show the prospect your sincerity.

### Plan Your Financing

Financing of rehabilitation work is often a stumbling block. Many financial institutions hesitate to lend money on property which is located in "blighted" areas. Many local building and loan associations have a set policy against lending funds on properties in these areas. They remember the troubles and foreclosures in the depression of the thirties. However, if you look up the records, you'll find that very few lost any sizable amount, even where they had to foreclose. As agent for several banks and building associations, Walter H. Tarr & Son took over the management of some properties which were foreclosed. In every case the unpaid balance was paid out from income and these properties were later sold at a nice profit.

There are some associations who will make these loans. Tarr says that those with whom he is associated usually specify that the loan will be granted provided his firm has the management of the property. A management agreement is drawn up which binds the borrower to have Tarr manage the property as long as the loan remains unpaid. Interest is usually a little higher (5½% to 6.24%) than that charged on newer construction. When buyer and seller agree on price, Tarr makes a personal call on the board of the building and loan association to present the application. Here again, the "before" and "after" pictures

of prior projects show what many hours discussion might not.

In cases where rehabilitation is relatively minor, Tarr often gets the owners to forego any income long enough to pay for the needed improvements.

### Set Up Owner's Budget

There are many cases where the owners are little better off financially than some of the tenants of their run-down property. Tarr has set up a "Budget Management" plan. Expenses for maintenance and repairs, interest and principal, insurance and taxes are estimated and set aside from current income funds. The owner receives a regular monthly check for the amount estimated to be one-twelfth of the final net income before depreciation. This arrangement gives the owner an uninterrupted flow of income. The balance not actually spent is shown on the statement each month allowing repairs to be scheduled in an orderly manner. Often refinancing of a present loan will supply the needed funds for improvements and makes the loan just that much more desirable from the lender's viewpoint.

### Charge Supervising Fees

All Tarr's management agreements provide a special clause referring to charges for repair work. Tarr has a small crew of maintenance men on the payroll who work under a maintenance supervisor. The management agreement specifies that owners are to be charged 10% over actual cost on all materials and 20% on actual cost of labor. On work that is contracted, the owner is to be charged 10% of contract price for the supervision. Owners are assured of better work and of getting what the contract calls for.

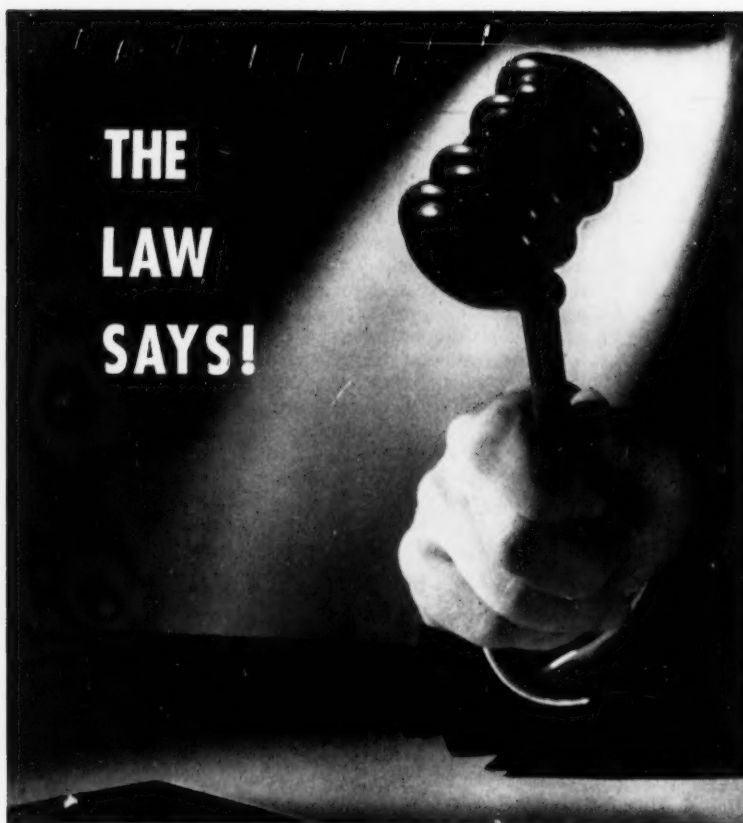
The farther you go into rehabilitation, the faster the returns accelerate, Tarr says. Do as complete a job as is economically sound and you'll see the best results. Rehabilitation is a continuing process and must go on year after year. It offers the alert real estate firm a new frontier with immediate opportunities and lasting business.

## Roses with Rent Receipts

ONE New Jersey apartment owner is passing out roses with his rent receipts. The occasion for the presentation of American Beauty roses to tenants is the first anniversary of the opening of the apartments.

Landlord Milton E. Zerman, builder-owner of Washington Manor, a 102 family apartment in East Orange, knew he was entering an area where vacancies were occurring and scaled his rents slightly higher than the average. He says that he always stresses a pleasant owner-tenant relationship, with room layouts and planning which accent the comforts and needs of his tenants.

More than 90% of the tenants are original occupants. This low turnover he attributes to a careful screening of prospects and strict maintenance inside and out.



By GEORGE F. ANDERSON

HE saved time alright. He had a rubber stamp made with his facsimile signature. He was delighted, saying "you can't tell the difference. I'll defy you to say which one I signed and which one was signed with the stamp. He defied his stenographer, and she accepted the challenge. She made out a deed to a piece of property that he owned and signed his name to it — with the stamp. Then she sold the property to a bona fide purchaser for value, and flew the coop with her boy friend. But you can't make a title by a forged deed can you? Generally not, but I'm not so sure about it in this case. When a person puts it within the power of another to commit a fraud, he may be responsible for that fraud. Didn't he put it in the power of his stenographer to commit this fraud? Did he make her the custodian of the stamp? Didn't he say himself that the stamp was so like his own signature that no one could tell the difference? Isn't he estopped from denying that it is his signature? Since either he or an "innocent" grantee must suffer, shouldn't it be he? He saved time but I wouldn't take the chance.

What's the difference between "assessments" and "special assessments?" Why is it unwise to use a rubber stamp signature? When do courts correct a wrong description in a deed? Here are the answers

IN talking about real estate, some people use the word "assessments" when they mean "special assessments." This may be due to a lack of knowledge of the distinction in meaning, and it may be due to a slip of the tongue. It may be due to thoughtlessness.

A lawyer, in dictating a lease, is apt to say, "The lessee covenants and agrees to pay all taxes and assessments." If he meant "special assessments" he has put his foot in it. Nevertheless, he probably meant "special assessments" because to say "taxes and assessments" is senseless.

Judge Cooley in his work on the law of taxation defines it:

"An assessment, strictly speaking, is an official estimate of the sums which are to constitute the basis of an apportionment of a tax between the individual subjects of taxation within the district.

"As the word is more commonly employed, an assessment consists in the two processes of listing the

person's property, etc., to be taxed and of estimating the sums which are to be the guide in an apportionment of the tax between them."

A "special assessment is a tax levied, not for a general purpose, but for an improvement conferred on the property which increases its value.

In the case of *Myers vs. Ruddy*, 154 App. 438, the court said:

"To hold in this case that the word 'assessments' appearing in this lease was intended to include special assessment levied for the benefit of the property, would be to hold that the parties intended that the lessees should pay for all the increase in value of the demised premises made by way of special assessment during the term of the lease, which would be unreasonable."

I think it would have been more realistic if the court had said "we don't know what the parties meant, but we do know what they said, and what they said counts."

IF the parties are dealing with one piece of property, but by mistake the deed described a different piece of property, that would be a mistake of expression, and if either party refused to correct it, a court of equity would do so.

The rule is otherwise when the conveyance is not made upon a valuable consideration. In the case of *Enos vs. Stewart*, 138 Cal. 112, a wife prior to her death conveyed her real estate to her husband — that is, she thought she did, but it was discovered that the deed contained a wrong description. Without the deed the real estate would descend half to the husband, and half to mother of decedent and the husband brought suit.

The court adhered to the rule of law which is 100 years old. "A court of equity interferes to correct a mistake in a written instrument only in furtherance of justice and to prevent fraud or some injustice. In this case by refusing to correct the deed, no fraud or injustice is done to appellant. She has lost nothing because she paid no consideration for the deed. She has been deprived of nothing the law would otherwise give her."



Three compartments in this half-wall have sliding doors, hold all kinds of difficult-to-store items like the radio, record player and records, scrapbooks and games. The built-in serves as an attractive room divider between the kitchen and front room, takes up little space



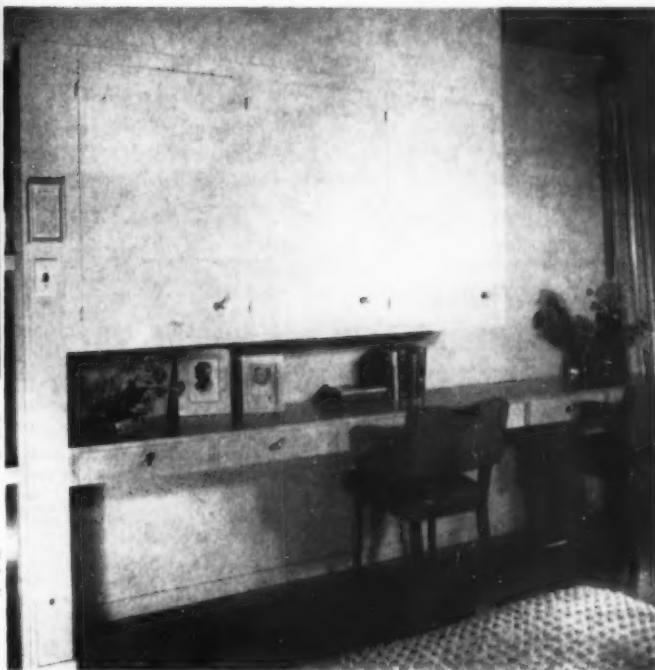
## *Buyers Want . . . A Place for Everything*

A home with built-in storage features will often defrost a buyer's most frigid sales resistance — especially if those features are planned with space saving in mind. These three storage and labor-saving ideas offer your salesmen strong talking points



Labor-saving, roll-away cart fits snugly beneath kitchen cabinets, out of the way. Complete dinner service and food can be loaded on it and wheeled into dining room

Narrow counter built under cupboards has six small drawers for cosmetics, accessories, jewelry. In the roomy cupboards there's space for blouses, sweaters, lingerie





AN ESTATE HOLDING REAL estate for sale in the process of liquidation should study the decision of the District Court, Southern Division of the Northern District of California. (Sullivan, DC Calif.) Carrying charges such as property taxes and mortgage interest were allowed to be capitalized regardless of the rental income received from the property before its sale. Similar items used as deductions in tax returns filed, but where no tax benefits were derived, were allowed to be excluded from taxable income from the sale of the property.

FUTURE TAX PROBLEMS eliminated by today's planning. Quite often a tax problem is encountered which emphasizes the importance of long-range planning in income tax administration. The taxpayer is so anxious to dismiss his daily tax problems that he forgets about the possibility of it "bobbing" up in the future with added complexity. For example

current provision can be made for: 1) Having properties appraised for their fair market value if they have been inherited even though the estate had no tax liability; 2) Dividing the cost of land from buildings by proper appraisal where the two have been purchased as a unit. This is important for proper depreciation purposes currently and provides the proper valuations if the property is sold in the future as between depreciable and non-depreciable assets; 3) Setting up separate valuations when two properties are received in trade for a single unit. One of them may be sold in the future or a separation in values between land and buildings is necessary for depreciation purposes. It is important to have all such values sound and not just arbitrary adjustments.

FOR THOSE TAXPAYERS contemplating a change in their accounting period, the regulations have been amended to simplify the

procedure. For example if the taxpayer has not requested a change in the past five years and it has been three months or less or nine months or more since his last return was filed, no request is necessary, providing the annualized short period net income is not less than 80% of the net income of the preceding year. Where consent is required application can be filed 15 days after the close of the short period. Previously it was required that approval be requested 60 days before the close of the period.

#### CASUALTY LOSS OF TREES.

For the property owner who may have had a casualty damage to ornamental or shade trees, Agriculture Handbook #52, "The Small Timber Owner and His Federal Income Tax", should offer some valuable suggestions on recovering part of the loss. Usually the deductible amount on such a loss is the replacement cost. Caution should be exercised in getting the deduction in the year of occurrence of the casualty loss and all supporting facts should be offered.

EMPLOYEES OF A TAX EX-empt institution can have their employer purchase annuity contracts with their earnings and have the earnings excluded from taxable income until the proceeds of the annuity contract are actually received. See Revenue Ruling #181. The institution named above must be exempt under Code Section 101 (6). Every employee of such an institution who has earnings in a high tax bracket and who intends to buy an annuity should check this revenue ruling.

## NATIONAL REAL ESTATE SECTION

(See also page 42)

### WANTED

If you have a copy of July 1951 National Real Estate and Building Journal, which you no longer need, please send it to the Journal office, 427 Sixth Ave. S.E., Cedar Rapids, Iowa.

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### Correction to Prefabricated Home Manufacturer Chart — October Journal

Modern Homes Corporation, Dearborn, Michigan, sells its homes through authorized builders exclusively. When the situation warrants the company sells through dealers who have exclusive franchises.

AAA-I rated Jr. Dept. Store Chain will lease or buy 25 to 60 ft. frontage in 90 to 100% area in cities 12,000 to 125,000 anywhere. Brokers' co-operation invited. Edw. Mitchell, 276 - 5th Ave., N. Y. C.

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As president of the George A. Probasco General Contracting Corporation of Reno, Nevada, Mr. Probasco has been largely responsible for developing some of the finest subdivisions in both Reno and Sparks, Nevada. Two recent subdivisions, one in Reno, the other in Sparks, will total more than 1,000 homes. Mr. Probasco is a member of the Associated General Contractors, a past president of the Independent Contractors of Northern Nevada, and a director of the Sparks Nevada Chamber of Commerce. He is active in the Reno Chamber of Commerce, is affiliated with the Reno Board of Realtors, and is Chairman of the Board of Adjustment, Reno Planning Commission.

**"We consider PERFECT HOME an invaluable aid in our field"**

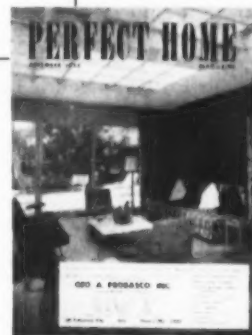
Says Mr. George A. Probasco, Nevada homebuilder

"PERFECT HOME Magazine certainly pencil points the full meaning of home. It highlights our efforts in serving and housing the prospective home owner. PERFECT HOME not only interests those seeking a home, but also appeals to many others, creating new interest within and around the home," says George A. Probasco, President of the George A. Probasco General Contracting Corporation of Reno, Nevada.

Enthusiasm such as that expressed by Mr. Probasco is shared the nation over by leading real estate, homebuilding, and home financing organizations. PERFECT HOME is a community force, edited for key people whose zones of influence will build the highest public confidence for you. It promotes the "home idea." It connotes quality, fair dealing, high ethics. It commands readership with skillfully written articles and sparkling photographs of the latest in home design, furnishing, and equipment.

National in scope, PERFECT HOME is local in application, becoming the sponsor's own publication. Editorial, art, and other preparation costs are shared among PERFECT HOME users throughout the entire nation. Local reproduction and mailing costs are spread among the selected, reliable building factors who are invited into the program and who gain in prestige and goodwill from its use.

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# Persistence Doubles His Listings

If listings are your problem, perhaps your salesmen aren't tapping all possible sources. An Indiana realtor dug for new sources, doubled his listings

By ARTHUR C. MAROSZ

**H**AVE you reviewed your methods of getting property listings lately? Are there any sources you've overlooked?

Here's how Bud Bryan, realtor in Bloomington, Indiana more than doubled his firm's listings last year.

First, he uses a rather novel direct mail approach. Bud selects a specific neighborhood and then decides which properties would most likely be listed. A form letter goes out to these owners telling them about inquiries from families who are interested in buying property located in that neighborhood. A typical letter reads:

"Our firm has had three or four inquiries from families who would like to buy a home in your neighborhood. Probably there are some homes that could be obtained for new owners. Even though new homes are being built rapidly there is still a strong demand for older homes at a high market price.

"If you are interested in selling your home or in discussing the present market values with the possibility of selling, please call me at your convenience."

The first 25 of these letters mailed brought in two listings which were sold within the first few weeks, and the mailings continue to attract listings.

Another basic method is classified advertising directed to encourage the type of property Bryan wants for his prospects. This also helps to register the firm's name with the public and creates a favorable impression that Bryan Real Estate is selling.

Newspapers are carefully scanned for items which might lead to a prospective listing — a customer interested in property, or someone who has need for the services of a broker. Legal notices and death notices are a good source. Where an individual has passed away, his heirs may want to dispose of property. Divorces — the breaking up of a home — sometimes necessitates selling property. Individuals who are moving to another city or changing their residence may have property for sale. Sometimes the announcement by another broker of a sale may produce a listing. One of the individuals may have additional property which he would be selling at some later time.

Another important listing source is ads placed by property owners in the classified columns of the newspapers. Often times these owners can be convinced of the advantages of permitting the firm to handle the sale of the property.

Individual acquaintances are helpful. Builders, doctors, dentists, ministers, attorneys, and friends have a vast source of information which Bryan uses to get both listings and prospects for properties. Ministers are usually aware of the problems confronting families, and may know of people who have property to dispose of. Doctors and dentists come into contact

with a number of people and can supply names of people who want to sell or buy property.

Bryan works closely with builders who sometimes contract with the broker to sell their completed homes in an area. Also the builder comes in contact with many individuals who are interested in investing in real estate and can refer them to the brokers. In many speculative transactions Bryan will find himself selling the property to the investor and later representing him in disposing of the property.

Court House records are used to determine ownership. Bryan also notes transfers of deeds, mortgages, and tax sales. There's always a possibility that one or more of the parties involved may have other property to sell. Moving van companies are also an excellent source.

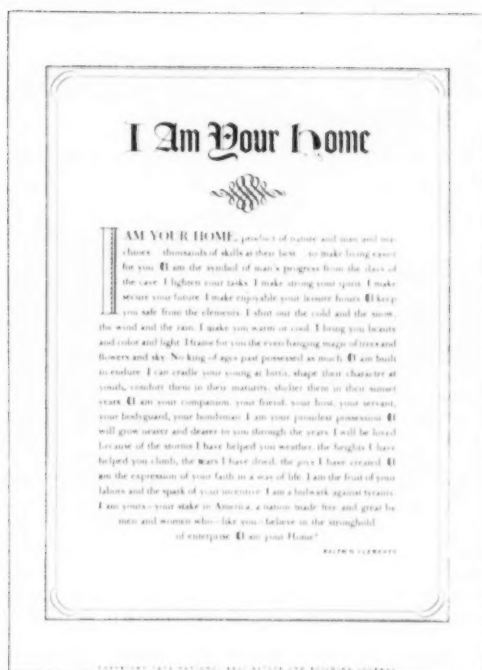
Local property owned by someone who lives in a distant town is a possibility. Business and residential property that no longer fits the needs of an expanding business or family are good bets.

Bryan carefully studies neighborhood trends. When neighborhoods change from residential to commercial there are good prospects for listings, or when the neighborhood is being encroached by another type of occupancy, owners sometimes want to sell. Not only is it essential to study these trends from the viewpoint of gaining listings and prospects, but from the viewpoint of determining property values.

A "sold" sign placed on a property with Bryan Real Estate printed on it may encourage others who have property for sale to contact the firm for real estate service. Clever window displays are an economical way of advertising. Not only do specific properties benefit, but Bryan's firm benefits in community prestige. Occasionally stuffers are included in outgoing mail — self addressed, stamped postcards requesting information about listing property for sale.

Many times repeat sales are made to former buyers, also a source of listing information. Telephone canvassing and house to house canvassing sometimes pay off. Old listings are reviewed for properties that were not sold; perhaps they were not properly priced and may now be relisted at a lower selling price. Maybe the firm failed to put forth proper effort to make the sale, or there was no immediate demand for the property. Frequently Bryan reviews files to determine if some of these properties are still unsold, and attempts to relist the property at a satisfactory price.

Neglected properties are always a possible source. The neglect may indicate that the owner is not interested in keeping the property, and a listing can be obtained by convincing him to dispose of it before it depreciates to a low value. Also, individuals in the vicinity where a property has just been sold might be stimulated by the sale into selling their own homes.



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sales piece for  
home prospects

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Authored by the *Journal's* editorial director, Ralph H. Clements, "I Am Your Home" speaks in glowing prose of the values of home and home ownership.

Thousands of requests from real estate and home building organizations have poured into the *Journal* office for copies of this creed for distribution to home buyers and prospects. In answer to these requests, handsome two-color reproductions of "I Am Your Home" have been prepared to make it an unusual, effective, lasting mailing piece to send to prospective home buyers. And copies of the creed have been produced on parchment-like stock suitable for framing, making it an ideal, thoughtful gift for home buyers. You can have copies of "I Am Your Home" to send to your clients at the following prices:

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## NATIONAL REAL ESTATE SECTION

(See also page 38)

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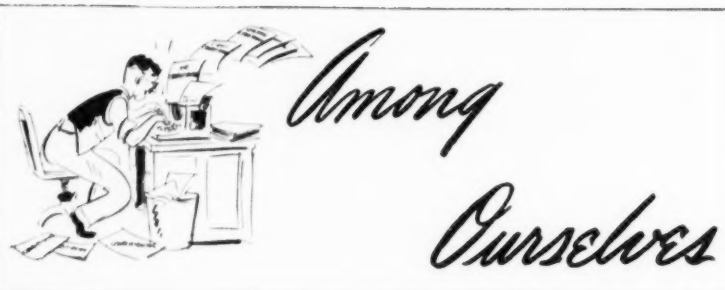
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Heard from a southern delegate at one of the popular property management roundtable breakfasts during the Los Angeles convention of NAREB: "Throw an idea out there, boy, and it'll get bandied around. They'll either tell you it's good or they'll knock it in the head."

This comment hits the heart of the reason why these sessions are so popular and why you see more and more of them at every convention. And it also typifies what we do on the JOURNAL — sift ideas from the field and toss them back for all to use. Everyone likes to know how the other fellow does it. Send us your ideas, whether they're on tenant relations, keeping track of prospects, or new house designs that sell particularly well.

Addressing a group of Massachusetts bankers, Arnel Nutter, NAREB'S new treasurer, outlined the attitude he believes builders should have for the coming year. He says it's like the fellow's daughter who went away to college and joined a sorority. She came home for Thanksgiving rather dejected. "What's the matter with me, Dad," she said. "I've joined the sorority of my choice but every girl there is engaged but me. I don't want to go back." Accustomed to solving psychological problems, Dad said, "There isn't a thing wrong with you that can't be solved. Go to the refrigerator and read the label on the mayonnaise bottle, then act accordingly." . . . Daughter went to the refrigerator, took out the mayonnaise bottle and looked at the label. It read, "Keep cool, but don't freeze."

Nutter sees approximately 800,000 units as an optimum level of home building next year. He points out the danger of overbuilding and warns against use of such artificial stimulants as government direct lending, extremely low down payments and unrealistic terms of payment.

Realtor-Builder B. J. Bergton, Teaneck, New Jersey, is making fellow home builders merchandising-conscious with his Home of Tomorrow. An amalgam of the desires of many home-seeking people, the home is basically a luxury three bedroom, three bath, two fireplace home, with ample living and dining room plus kitchen, but with many other such features as an atomic shelter, remotely controlled sliding panels, aquarium, patios. Bergton says it's an attempt to show custom builders what they can and should provide for today's and tomorrow's home buyers.

Did you know you can realize quite a saving by getting together with your friends and sending in a group subscription for the JOURNAL? For example, you can order five one-year subscriptions and save a total of \$2.00. If you order 15 two-year subscriptions, the total saving jumps to \$42.75. Write our circulation department for details. All subscriptions under this plan are payable in one lump sum but copies are sent to the individuals at the addresses you indicate.

Newton C. Farr, prominent Chicago realtor and authority on city planning now heads up the Chicago real estate board's housing and rehabilitation committee. In other cities, the first large scale improvements in housing conditions are being reported. Baltimore, of course, heads up the group. Other cities which are establishing excellent records are Atlanta; Cincinnati; Charlotte and Durham, North Carolina; Hattiesburg, Mississippi; Pasadena; Trenton; Lafayette, Indiana; and many others.



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